100TH CONGRESS
2d Session

SENATE

REPORT
100-499

BIENNIAL BUDGET ACT OF 1988

REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2478

TO PROVIDE FOR A 2-YEAR BUDGET CYCLE, AND FOR OTHER PURPOSES

together with

ADDITIONAL VIEWS

AUGUST 25, 1988.—Ordered to be printed
Filed under authority of the order of the Senate of August 11 (legislative day, August 10), 1988

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Filed under authority of the order of the Senate of August 11 (legislative day, August 10), 1988

Mr. GLENN, from the Committee on Governmental Affairs, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. 2478]

The Committee on Governmental Affairs, to which was referred the bill (S. 2478) to provide for a 2-year Federal budget cycle, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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I. PURPOSE

The purpose of S. 2478, the Biennial Budget Act of 1988, is to improve congressional control over the budget process and provide stability and coherence for recipients of Federal funds and managers of Federal programs by (1) establishing a two year Federal

budget cycle, (2) creating a permanent continuing appropriations in the event that the Congress and the President do not complete action on individual appropriation bills prior to the beginning of the fiscal year, and (3) providing increased authority for the standing committees of the Congress to request assistance from the Executive branch to aid in the authorization and oversight of Federal programs, and for other purposes.

II. Summary of S. 2478

S. 2478 amends the Congressional Budget and Impoundment Control Act of 1974 (Public Law 99-344; the "Budget Act") to provide a two year Federal budget cycle. The first session of each Congress will be devoted to enacting a concurrent budget resolution covering a two fiscal year period, and all appropriation bills for the two fiscal year period. The second session of each Congress will be devoted to authorizing legislation and oversight. Supplemental spending legislation may be offered at any time, subject to the same Budget Act points of order governing supplemental spending in the current process. The biennial budget period will begin October 1 of the first session and will cover the two consecutive fiscal years.

The legislation also establishes a permanent continuing appropriations in the event that the Congress and the Executive branch do not complete action on all individual appropriation bills before the beginning of the biennium. Programs funded in the previous biennium will continue to be funded at the same rate of operations, and will be superseded by the enactment of the regular appropriation bills, as is currently the case. The permanent continuing resolution authority is limited to one biennium.

S. 2478 provides increased authority for the chairmen and ranking members of standing committees of the Congress to request information, analyses, studies, and other assistance from Federal agencies to aid in the budget formation, appropriations, authorization, and program oversight processes.

The legislation is effective beginning in the 101st Congress with fiscal year 1990, and will make the following changes in the Federal budget timetable:

First Session

First Monday after January 3	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
February 25	Committees submit views and estimates to Budget Committees.
March 31	Senate Budget Committee reports concurrent resolution on the biennial budget.
April 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.

First Session—Continued

September 30	Congress completes action on reconciliation legislation.
September 30	Congress completes action on biennial appropriation bills.
October 1	Biennium begins.

Second Session

On or before May 15	Congressional Budget Office submits report to Budget Committees.
the last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium period.

III. Need for Legislation

The current budget process is rooted in the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344, title 2 of U.S. Code). While the 1974 reforms have enabled the Congress to participate more fully in the development of fiscal policy, the current process impedes timely and efficient decision making. Since 1974, the Congress has consistently failed to complete action on the Federal budget before the start of the fiscal year and, as a result, has increasingly relied on omnibus spending measures to fund the Federal government.

During the past three years, the Congress has not passed a single individual appropriation bill. This inability to reach a consensus on basic fiscal policy has the need for fundamental reform. The ranking member of the Senate Committee on the Budget, Senator Pete Domenici, summarized the extent of this frustration in testimony before the Committee on Governmental Affairs on June 7, 1988:

> For a United States Senator, there is too much duplication, too many votes on the same issue, too much time spent on budgeting. From the viewpoint of the Executive branch, the balance over fiscal matters has swung too far away from the President. For members of the Appropriations Committee, problems come from delay in adopting the budget resolution and inadequate control over entitlements and mandatory spending. For the average citizens, the budget process is probably too complex to be comprehensible.

While policy disagreements between Congress and the executive branch have contributed to budgetary delays, the complexity of the congressional budget process is a contributing factor. The Committee concluded that a biennial budget cycle would greatly improve the budget process by providing greater certainty that deadlines will be met and by reducing multiple decisions on individual budget items. This, in turn, would provide stability and coherence for recipients of Federal funds. In reporting S. 2478, it is the Committee's view that, while biennial budgeting will not solve all of the

problems which have developed relating to the budget process, it will substantially improve the process, and will create a greater presumption in favor of carefully considered, timely decisions.

THE BUDGET ACT OF 1974

Currently, Congress must complete three separate budget processes annually following Presidential submission of the Administration's budget: (1) the concurrent budget resolution, (2) program authorizations, and (3) consideration of 13 individual appropriation bills. This multi-layered approach to budgeting is further complicated by the addition of the Balanced Budget and Emergency Deficit Control Act (P.L. 99–177), often referred to as Gramm-Rudman-Hollings. S. 2478 would not eliminate any of these processes, but would divide the process into two separate pieces over a two year Congress: (1) consideration of the concurrent budget resolution and all 13 individual appropriation bills in the first year; and (2) consideration of multi-year authorizing legislation and program oversight in the second year.

As such, S. 2478 builds upon the Budget Act of 1974. That Act completely overhauled the congressional budget process, asserting the legislative branch's participation in the fiscal policy of the nation. Battles with President Nixon over the impoundment of funds in the early 1970's, combined with the lack of an institutional system for developing budget policy, prompted the Congress to enact these reforms.

The Budget Act established budget committees in the House and in the Senate, created the Congressional Budget Office to provide budget information to the Congress, and established a timetable for the consideration of the Federal budget and procedures for consideration of presidential rescissions and impoundments.

The 1974 reforms also established the concurrent budget resolution, which serves as a blueprint for spending and tax policy for the next fiscal year. Prior to the Budget Act, Members of Congress expressed great frustration with congressional inability to determine the impact of individual appropriation bills within the framework of the entire Federal budget. The budget resolution satisfied this concern by providing a means for Congress to formulate a fiscal blueprint, which is then used as a tool for measuring the impact of individual spending bills on the overall Federal budget.

The ranking member of the Senate Committee on Governmental Affairs, Senator William Roth summarized the benefits and detriments of the Budget Act in testimony before the Committee on Governmental Affairs on June 7, 1988:

> There's no question that the Budget Act of 1974 was a major improvement over what had been a virtually uncontrollable and haphazard process. The 1974 Act provided the Congress with a mechanism to formulate and evaluate an overall fiscal strategy. It helped put individual appropriation bills into perspective regarding the entire budget. Yet, while it strengthened the Congress' hand in making budget decisions, it has weakened the ability of the Congress to get its work done efficiently and effectively.

INCREASING COMPLEXITY OF THE BUDGET PROCESS

While the 1974 reforms greatly improved the budget process by establishing the concurrent budget resolution, the growing complexity of the budget process has contributed to missed deadlines and inefficient decision making. In 1980, Congress added to the complexity of the process when it first used reconciliation to make major changes in the Federal budget. The reconciliation process directs the authorizing committees of the Congress to change existing entitlement and revenue laws for deficit reduction purposes, and is initiated through instructions in the budget resolution. Since 1980, the reconciliation process has been used annually except for fiscal year 1984.

Rapidly escalating Federal budget deficits in the mid-1980's lead Congress to add a fourth step to the budget process. In 1985, the Congress passed the Balanced Budget and Emergency Deficit Control Act, and in 1987, the Congress passed the Balanced Budget and Emergency Deficit Control Reaffirmation Act (P.L. 100–119). These laws established procedures for enforcing maximum deficit amounts for fiscal years 1988 through 1993. In 1988, the Congress added another, albeit non-statutory, layer of budget procedure, the two-year Budget Summit Agreement, which set enforceable spending and tax guidelines for fiscal year 1988 and 1989.

While each of these steps was designed to make the allocation of Federal resources more efficient and effective, the combined result has been frequently missed budget deadlines and repetitive roll call votes on budget issues. The congressional response to the increasingly complex process has been to budget year round. At the June 7, 1988 Committee hearing, Senator Don Nickles testified:

> In recent years, Congress seems increasingly unable to work through its legislative agenda. The budget resolution, reconciliation bill, and appropriations take up more and more time. Authorizing committees are squeezed out of the schedule and continuing resolutions become larger every year, as fewer regular appropriation bills are passed.

While budget delays are fequuently the consequence of policy differences between the Executive branch and Congress or between the two Parties within the Congress, the ability of the Congress to execute any fiscal plan will continue to be stymied by the existing process. It is the Committee's view that two year budgeting can be a successful tool to assist both the Congress and the Executive branch in more efficiently managing the budget.

Only once since 1974 have the President and the Congress agreed to all 13 regular appropriations bills by the beginning of the fiscal year. As the following table indicates, for each of the past three years, the Congress has not passed a single appropriation bill by October 1, the beginning of the fiscal year.

CONTINUING APPROPRIATIONS, FISCAL YEARS 1974–88

	Regular appropriation bills not enacted by the start of the fiscal year	Continuing resolution enacted for the fiscal year
Fiscal year:		
1974	10	2
1975	6	4
1976	11	3
1977	0	2
1978	4	3
1979	8	1
1980	10	2
1981	12	2
1982	13	5
1983	12	2
1984	9	4
1985	9	4
1986	13	5
1987	13	5
1988	13	5

This failure results not only from the complexity of the process, but the inability of the Congress and the President to agree on fiscal priorities. At the June 7 Committee hearing, Comptroller General Bowsher said:

> I do not think that we can devise new procedures that will completely overcome the delays and inefficiencies of the current budget process. To a large extent, the difficulties our elected officials experience in reaching consensus on budget matters reflects underlying divisions and uncertainties in the American public about policy choices and priorities. Nevertheless, I think that there are changes that could help. To the extent that we can make the budget process and documents less complex and more understandable, we will have taken a step forward.

The failure to enact regular appropriation bills prior to the beginning of the fiscal year results in the need for the Congress and the President to agree on a continuing resolution to fund the Federal government's operation. The 2,100 page conference report for the fiscal year 1989 continuing resolution was passed after 3:00 AM on December 23, 1988, less than 24 hours after the report was filed. It is understandable that such outcomes are frustrating to many Members of the Congress.

BENEFITS OF BIENNIAL BUDGETING

The Committee believes S. 2478 could help remedy this situation. By dedicating an entire year to the authorization and oversight process, the Congress will have much more time to carefully consider underlying authorizations. Members will be free from congressional action on the budget during the second session of each Congress, enabling them to focus on the work of the authorizing committees. On June 24, 1988, Senator Wendell Ford addressed this issue on the Senate floor:

> A two year budget, with one session reserved specifically for oversight and authorizations, will give Congress the time to enact responsible spending proposals before the adoption of a budget resolution and appropriation bills. A two year cycle will give the executive branch and State and local governments two years to plan for the most efficient use of Federal dollars . . . Congress simply needs more time to review existing spending programs to determine whether they should be modified, expanded, or replaced.

Former Representative James Rhodes testified at the June 7 Committee hearing that two year budgeting would reduce the repetitive nature of the current budget process:

> There is no reason to revisit each and every decision necessary to run a trillion dollar enterprise each and every year. Biennal budgets and biennial appropriations would provide a longer and more certain planning horizon. They should lead to increased efficiency in government. They certainly would help rationalize congressional decision-making. They should provide a better basis for evaluation of the effectiveness of Government services and programs . . . . (It) could improve substantially the quality of congressional oversight and might once again lead to a meaningful authorization process.

Providing this extra time will promote a smoother appropriations process, one which is more accountable to the American people. At the June 7 Committee hearing, Senator Roth testified:

> Putting the budget process on a two year timetable will enable the Congress to give a more careful look to the priorities incorporated in the budget, as well as giving the Congress more time to devote to other important issues.

The Committee believes a principle benefit of biennial budgeting will be a reduction in the repetitive nature of the current budget process. Each year the Congress considers the budget resolution, annual authorizations, appropriations, and usually reconciliation. The Balanced Budget and Emergency Deficit Control Reaffirmation Act establishing new maximum deficit targets through 1993 adds another layer of the complex process. Lastly, the need to extend the public debt limit usual attracts other legislative and budget items.

Last year the Congress debated the level of defense spending five different times—during consideration of the budget resolution, the defense authorization bill, defense appropriations, the revision in Gramm-Rudman-Hollings sequestration procedures, and the Budget Summit Agreement. This redundancy caused widespread frustration. Splitting the process over a two year period could reduce the repetitive nature of the annual process. This legislation does not eliminate any of the processes—each serves a significant role in the Congress' deliberations. However, by making decisions once every two years instead of twice, the burden should be reduced.

By providing funds for a two year period, recipients of these funds will be better able to plan better and administer their funds.

Mr. Robert Helm, Comptroller of the Department of Defense, testified on the Defense Department's experience with biennial budgeting. Mr. Helm highlighted the management benefits of biennial budgeting, especially for procurement, "for being able to give program managers their funding up front so that they can pursue, in the most efficient fashion, the best type of defense procurement management that we should all expect for taxpayers money." The annual process, Mr. Helm testified is inefficient from the managers' perspective because of the delays in obligating funds.

BUDGET SUMMIT AGREEMENT PROVIDES TEST OF TWO YEAR BUDGETING

The two year Budget Summit Agreement between the President and the congressional leadership on November 20, 1987 provides compelling proof that substantial improvements are possible in the budget process. The Budget Summit Agreement set forth the spending and tax guidelines for a two year period. This included funding levels for defense and domestic discretionary categories, and international affairs programs.

These overall totals have helped the Congress move briskly with enactment of individual appropriation bills for fiscal year 1989. The House of Representatives completed initial action on all thirteen appropriation bills by June 30. This was the first time since 1960 that the House finished this stage of the process prior to June 30, and that was when the fiscal year started July 1.

The Committee notes that the President and Congressional leadership were not deterred by the potential uncertainty of economic projections in accepting a two year plan. By laying the foundation for a two year budget, the process appears to be moving much more smoothly. The Committee is optimistic that for the first time in four years, the Congress will send the President individual appropriation measures. The Committee believes that S. 2478 would make this improved performance a permanent feature of the budget process.

During the June 7, 1988 Committee hearing, Senators Ford, Roth, Nickles, and Domenici all noted the value of the Budget Summit Agreement for laying the foundation of a multi-year budget and helping expedite fiscal year 1989 appropriation bills. Senator Nickles said:

> It was the Budget Summit Agreement last year that technically gave us our first two year budget. We now find ourselves nearly on schedule with the budget process. This is due to the fact that we arrived at set spending levels a year in advance.

In response to a question from Chairman Glenn during the June 7 Committee hearing, Office of Management and Budget (OMB) Director James Miller III responded that the experience of the Budget Summit Agreement demonstrated that the Federal government and Congress are capable of "putting together a two-year budget and carry through reasonably on it. I think this is something we should emulate."

The Chairman of the Senate Committee on Armed Services, Senator Sam Nunn, and the ranking member, Senator John Warner, praised the Budget Summit Agreement in the transmittal of their

Committee's views and estimates to the Committee on the Budget for the Fiscal year 1989 Concurrent Resolution on the Budget,

> * * * we would like to note that last fall's Deficit Reduction Agreement is an excellent example of the benefits of a two year budget cycle. Because of this Agreement, we start this year with a consensus on the overall level of National Defense spending for the next fiscal year. This agreement will allow the authorization and appropriations processes to proceed in a more orderly and timely fashion this year.

SUPPORT FOR THE BIENNIAL BUDGET PROPOSAL

The Committee believes that a biennial budget would create greater opportunities for careful consideration of authorizations underlying appropriation bills and would help Congress operate more effectively. At the June 7 Committee hearing, Senator Ford testified:

> Biennial budgeting is not a panacea for our Federal budgetary problems. But it is a tool which can make the Federal government operate more efficiently and allow Congress the time to make considered and informed budgetary decisions. Biennial budgeting will provide greater funding stability and certainty for our elected counterparts in state and local governments and for the numerous beneficiaries of Federal funds.

The Committee notes the broad bi-partisan consensus in support of biennial budgeting and was particularly interested in a survey conducted by the Center for Responsive Politics which revealed that more than 85 percent of Members of Congress said they favored two-year appropriations. The Center followed up its general questions on the budget with seven questions on specific budget reforms and found one proposal, appropriating funds on a two-year cycle, to be an "overwhelming favorite."

According to the Center's report on their survey results,

> * * * many who supported the two year budget cycle felt that such a system was needed to improve congressional budgeting. One frequent response was that a two-year cycle was necessary to help improve the oversight process. Others believed the two-year cycle would improve the system by improving planning.

During the Committee's June 7 hearing on budget process reform, witnesses expressed varying degrees of support for biennial budgeting. Four Members of the Senate, including Senator Ford, Senator Roth, Senator Nickles, and Senator Kassebaum announced their intention to cosponsor S. 2478. Senator Domenici stated his support for the idea of biennial budgeting, but expressed concerns with the provision of S. 2478 increasing congressional authority to request information from the Executive branch. On June 24, 1988, Senator Domenici announced his cosponsorship of S. 2478. While not addressing the specific legislative proposal, the Committee for a Responsible Budget, and the Administration, represented by OMB Director Miller and Department Comptroller Robert Helm, ex-

pressed support for moving to a biennial budget process. Mr. Helm stated his view that authorizations and appropriations should be completed in the first year of each cycle. Comptroller General Charles Bowsher identified the potential advantages and disadvantages of biennial budgeting and testified that "In my view, these potential problems are not enough to negate the possible benefits to be realized from implementing a biennial budget." Comptroller General Bowsher suggested that biennial budgeting, if adopted, should be tried on an experimental basis first.

President Reagan, in the fiscal year 1989 Budget also recommended biennial budgeting as a reform of the budget process:

> The current budget process consumes too much time and energy. A two year budget cycle offers several advantages—among them, a reduction in repetitive annual budget tasks, more time for consideration of key spending decisions in reconciliation, and less scope of gimmicks such as shifting spending from one year to the next. I call on the Congress to adopt biennial budgeting.

AUTOMATIC CONTINUING RESOLUTION

The legislation also provides for permanent continuing appropriations in the event that the Congress and the Executive branch do not complete action on all individual appropriation bills before the beginning of the biennium. Programs funded in the previous biennium will continue to be funded at the same rate of operations, and will be superseded by the enactment of the regular appropriation bills, as is currently the case. The permanent continuing resolution authority is limited to one biennium. Senator Ford at the June 7 Committee hearing offered the following explanation of the provision:

> The permanent continuing appropriation provision removes the incentive, for both the Congress and the White House, to sandbag individual appropriation bills in the hope of enacting controversial items in the continuing resolution. This provision will also aid state and local governments and recipients of Federal funding who often are caught at the end of the fiscal year with threatened lapses in funding. It also eliminates the very time consuming process of enacting a continuing resolution, and removes the ability to fill a veto-proof continuing resolution with spending programs that bust the budget.

The legislation also strengthens the ability of the committees of the House and of the Senate to conduct reviews of Federal programs. These provisions are an outgrowth of consideration by the Senate of so-called "Sunset" legislation in the 94th, 95th, and 96th Congresses. The initial emphasis of Sunset legislation, automatic termination of Federal programs every five years, was patterned after such legislation enacted at the State level. While innovative at the State level, it was eventually perceived that such legislation was unnecessary at the Federal level because most programs were already subject to periodic reauthorization. The extensive consideration that "sunset" legislation did receive, however, caused the

identification of some areas where the capabilities of committees to conduct in-depth program evaluations could be strengthened. These included the ability of committees to request assistance and information from agencies in the conduct of review.

STATE EXPERIENCE WITH BIENNIAL BUDGETING

On July 15, 1987 the General Accounting Office published their survey of biennial budgeting trends, practices, and experiences in the 50 states. Thirty-one states are on annual cycles, while 19 are on biennial cycles. Of the States that have changed from one to the other in recent years, 12 switched from biennial to annual and three switched from annual to biennial budgeting. As the Comptroller General Bowsher testified at the June 7 Committee hearing, one of the factors contributing to the state's recent shift to annual budgeting was the annual Federal process.

Surveys from those states which have switched to biennial budgeting suggest the following reasons for change:

(1) to reduce time debating the budget in the off-year,

(2) to alleviate the administrative burden of perpetual involvement in the budget process,

(3) to impose a longer/range perspective in budget and fiscal planning,

(4) to permit more intensive analysis of selected program areas in alternative years, and

(5) to respond to a shift in political majority in the legislature.

The GAO also identified the following reasons why states have changed from biennial to annual budgeting:

(1) to gain greater accuracy in estimating reviews and/or financial needs,

(2) to improve legislative control over budgetary matters,

(3) to avoid having the executive branch spend time developing a budget for the second year of the biennium when the legislature only "straight-lines" the first year appropriations for the second year,

(4) to be better able to respond to rapid changes in revenue and/or program needs, and

(5) to make the budget cycle correspond with a change to annual meetings of the legislature.

The Committee recognizes the uniqueness of the Federal budget relative to the State's budgets. Even with these differences, some comparison is advisable.

ADDITIONAL ISSUES

During consideration of S. 2478, the following issues were raised: (1) whether biennial budgeting would lead to greater use of supplemental spending; (2) whether the uncertainty of economic projections would make it very difficult to budget two years in advance; (3) how the Congress would respond to new national needs or emergencies; (4) the timing of authorizations in S. 2478; and (5) the transition to biennial budgeting.

First, concern was expressed about the impact of biennial budgeting in creating an incentive for more supplemental appropriations.

As the following table indicates, the Congress already enacts at least one supplemental each fiscal year. In 1978, the Congress enacted nine supplemental appropriations. Already the Congress has enacted two in fiscal year 1988.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEARS 1974–88

[Dollars in millions]

	Number of supplemental bills	Amount of budget authority
Fiscal year:		
1974	5	$14,796
1975	7	27,587
1976	5	24,636
1977	5	49,835
1978	9	16,053
1979	1	13,845
1980	6	19,683
1981	2	20,960
1982	4	27,442
1983	2	22,655
1984	4	16,307
1985	3	14,804
1986	3	8,191
1987	2	4,204
1988	2	709

The Committee believes that it would be easier to consider several supplementals annually than the entire budget process as the Congress does currently. By retaining the enforcement mechanisms set forth under Gramm-Rudman-Hollings in the Balanced Budget and Emergency Deficit Control Reaffirmation Act, the Congress can assure that it does not spend more in the second year of the cycle on supplementals. As in the current process, supplementals will continue to occur on an emergency basis, and all decisions must be made within the parameters of the maximum deficit target.

Second, concern was expressed about the uncertainty of economic assumptions which would be required for two years in advance instead of one. Several witnesses noted the problems in forecasting economic performance, and the dependence of the current process on accurate assumptions.

However, the Committee noted that the Congressional Budget Office and the Office of Management and Budget currently project economic assumptions for the budget year and the following five years. Further, the Committee notes that nothing in this legislation prevents consideration of a revised budget resolution if the underlying economic assumptions prove inaccurate. In addition, the Committee notes that the President and the congressional leadership moved forward with a two-year summit agreement in spite of potential forecasting errors. In short, the budget process will be neither more nor less dependent on accurate forecasting under S. 2478.

Third, concern was also expressed regarding the need for congressional flexibility to react to emergencies and the rise of new issues like AIDS and the 1988 drought. Though this legislation does not prohibit the Congress from considering new issues or confront-

ing emergencies through supplemental appropriations, it is important to note that such supplemental action would be governed by legislative points of order which can be waived only through so-called super-majorities. Several Committee members, including Chairman Glenn, questioned whether such super-majorities would overly restrict Congress under a biennial process.

Fourth, concern was expressed about the timing of authorizations and appropriations in S. 2478. Some experts have suggested that authorizations should be in the first session of the Congress, with the budget resolution and appropriation bills in the second session of each Congress. At the June 7 Committee hearing, Senator Ford testified that this approach would—

> * * * have meant that a newly elected Congress and a newly elected President would have to wait a full year before they could start to work their will on the budget. Even though building that kind of learning period into the process has its desirable aspects, we concluded that it was unrealistic and opted for budgeting in the first session.

In addition, several Committee witnesses recommended that authorizations, appropriations, and the budget resolution all fall in the first session, with oversight in the second. Comptroller General Bowsher testified to that effect as follows:

> I would prefer an approach that concentrates budget activity in the first year of each Congress and oversight in the second session. This method offers the advantage of allowing difficult budget votes to come in a non-election year, and it allows budgets to be adopted during the first year of a new Congress and a new President's term. I also see merit in requiring a single budget resolution with a provision for amending it if the need arises.

The Committee concurs with this approach. In recent fiscal years, excluding the Department of Defense, less than five percent of all Federal spending has been authorized on an annual basis. Including the Department of Defense, roughly 20 to 25 percent of all Federal spending has been authorized on an annual basis. However, considering the Committee on Armed Services willingness to move to a two year authorization under certain conditions, the Committee notes that Congress has the capacity to authorize most programs on a multi-year basis. Since a large percentage of Federal spending is already authorized on other than an annual basis, the Committee concludes that the transition to multi-year authorizations for the entire government would not constitute an undue burden on either Congress or the Executive. These authorizations could very well be completed in the second session of each Congress, just as many are currently enacted.

Fifth, concern was expressed about effective date of the legislation, and the transition to biennial budgeting. Under the provisions of S. 2478, biennial budgeting will begin with the 101st Congress and the first two year budget would be enacted starting October 1, 1989. Senator Ford at the June 7 Committee hearing offered the following explanation:

> With the optimism that this proposal can be enacted this year, we provide that this process take effect in the next Congress. FY 89 would be a transition year of single year appropriations, and would also serve as the initial authorizing period for the biennium which would begin on October 1, 1989. Federal programs must be authorized for at least the two year period covered by the fiscal biennium. While many Federal programs are already multi-year authorizations, many programs will expire in the second year of the biennial budget enacted in the 101st Congress. Therefore, 1989 will be a transition year in which authorizing committees must ensure that programs within their jurisdiction are authorized at least through the biennium ending September 30, 1991. By enacting this proposal this year, we give the new administration advance notice of the new process, and take advantage of the changing leadership in the Congressional committees to smooth the transition to reform.

However, Chairman Glenn noted that, during a presidential transition year, such a timetable would put great pressure on an incoming President to revise the outgoing President's budget request as quickly as possible. Otherwise, the incoming President and new Congress would be governed by the outgoing President's figures for two full fiscal years before the incoming President would have a first opportunity to submit a budget proposal. Such pressure might produce the very kinds of careless budget decisions that a biennial process is designed to avoid.

In addition, Senator Stevens noted his concern at mark-up regarding the Constitutionality of binding one Congress with the appropriation decisions of another.

The Committee considered these implementation issues during the mark-up of S. 2478, and expressed its desire that the Senate Budget Committee undertake a detailed review as part of its consideration of S. 2478 prior to discharge.

IV. Legislative History of Biennial Budgeting

Legislation to establish a biennial budget process was first introduced more than a decade ago during the 95th Congress. Representative Panetta introduced H.R. 9077, The Biennial Budget Act, on September 13, 1977. Earlier that year, on February 24, the Congressional Budget Office published a report entitled, "Advanced Budgeting: A Report to the Congress." That report recommended that "the Appropriations Committees establish standards acceptable to themselves for the identification of programs amenable to a two-year appropriations cycle, and assign to a legislative agency, in conjunction with OMB, the task of preparing a list of programs so amenable, and a plan for shifting them to two-year appropriations, to be submitted to the Congress for its consideration."

H.R. 9077 created a two-year budget process devoted in the first year to oversight of Executive branch agencies. Toward the end of the first session, the Committees on the Budget in each House would report the first concurrent budget resolution. During the first three months of the second session, the Congress would contin-

ue work on authorizations and consider the first budget resolution. Only after all authorizations were adopted could the Congress move to consideration of appropriation bills.

On August 4, 1977, the Senate adopted by unanimous consent the standing order on joint referral of budget related legislation to Committees on the Budget and Governmental Affairs. The order provides: "If one committee acts to report a jointly referred measure, the other must act within 30 calendar days of continuous possession, or be automatically discharged." Under this unanimous consent agreement, legislation to establish a biennial Federal budget cycle is jointly referred to the Committees on the Budget and Governmental Affairs.

During the 96th Congress, Representative Panetta again introduced legislation to establish a two-year Federal budget process. On July 16, 1979, Senator Bumpers introduced S. Res. 197, a resolution directing a study of the advisability and feasibility of instituting a biennial fiscal period for the United States Government. No action was taken on either bill.

In the 97th Congress, four bills to establish a biennial budget process were introduced in the United States Senate and one in the House of Representatives. On September 30, 1981, Senator Ford along with Senator Bumpers, Senator Danforth, and Senator Pell introduced S. 1683 to provide for a two-year Federal budget cycle; to provide for the inclusion of additional matters in the Federal budget; to strengthen congressional authorization, budget, and appropriations procedures; to strengthen congressional oversight of Federal programs; and for other purposes. Other biennial budget bills were introduced by Senator Roth, Senator Quayle, Senator Cochran, and Representative Panetta.

On October 6 and 29, 1981, the Committee on Governmental Affairs held hearings to review the Congressional Budget & Impoundment Act of 1974. These hearings were the first comprehensive look at the Budget Act since its enactment. The House Committee on the Budget held a budget process review hearing on September 14, 1982, and the Senate Committee on the Budget held a series of hearings on "Proposed Improvements in the Congressional Budget Act of 1974" on September 14, 16, 21, and 23, 1982. Biennial budgeting was discussed in all of these hearings.

On August 19, 1982, the Committee on Governmental Affairs held a hearing on S. 2629, The Budget Reform Act, introduced by Senator Roth to provide for a two year budget process. This legislation would have shifted the beginning of the fiscal year from October 1 to January 1. This three month shift would provide Congress with additional time to consider authorizations, the concurrent budget resolution, and an omnibus appropriation measure incorporating the 13 individual appropriation bills during the first session of each Congress. The second session of each Congress would be devoted to Committee oversight of programs within their jurisdiction. Alice Rivlin, Director of the Congressional Budget Office, and The Honorable Charles Bowsher, Comptroller General of the United States, testified at this hearing. No further action was taken.

During the 98th Congress, bills to establish a biennial Federal budget process were intorduced by Senator Ford, Senator Roth, Senator Quayle, and Senator Cochran and Representative Panetta.

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On May 5, 1983, the Committee on Governmental Affairs held a hearing on S. 20, legislation introduced by Senator Roth to provide for a two year budget process (Senate Hearing 98-1025). S. 20 was similar to S. 2629 in the previous Congress. The Honorable John Sununu, Governor of the State of New Hampshire, and The Honorable Charles Bowsher, Comptroller General of the United States, testified at this hearing. No further action was taken.

Between September 15, 1982 and February 9, 1984, the Task Force on the Budget Process of the House Committee on Rules held seven hearings to review the congressional budget process since adoption of the Budget Act in 1974. In May, 1984, the Task Force reported on recommendations to improve the congressional budget process.

In 1984, the Temporary Select Committee to Study the Senate Committee System recommended that a select committee be established to study the feasibility of biennial budgeting. No committee was formed.

During the 99th Congress, bills to establish a biennial Federal budget process were introduced by Senator Roth, Senator Ford, Representative Panetta, Representative Hutto, and Representative Evans.

In 1985, the Defense Authorization bill (P.L. 99-145) included language establishing the framework for a biennial budget for the Department of Defense. Section 1405(b) of that law stated that—

> The President shall include in the budget submitted to the Congress pursuant to section 1105 of title 31, United States Code, for fiscal year 1988 a single proposed budget for the Department of Defense and related agencies for fiscal year 1988 and 1989. Thereafter, the President shall submit a proposed two-year budget for the Department of Defense and related agencies every two years.

During the 100th Congress, bills to establish a biennial Federal budget were introduced by Senator Roth, Senator Ford, Senator Domenici, Senator Kassebaum, Representatives Panetta, Representative Daub, Representative Lloyd, Representative Penny, and Representative Hutto.

The House Committee on Government Operations held a series of hearings on March 12, April 2 and 30, 1987 on budget process reform.

On May 6, 1987, during consideration of the 1988 Budget Resolution, Senator Roth offered an amendment expressing the Sense of the Congress that "the Congress should enact this year a biennial budget and appropriations process." The amendment was tabled by a vote of 53 to 45.

This was followed shortly afterwards by inclusion of a biennial budgeting provision in the Balanced Budget and Emergency Deficit Control Reaffirmation Act (P.L. 100-119). Section 201 stated: "It is the sense of the Congress that the Congress should undertake an experiment with multi-year authorizations and two year appropriations for selected agencies and accounts. An evaluation of the efficacy and desirability of such experiment should be conducted at the end of the two year period. The appropriate committees are directed to develop a plan in consultation with the leadership of the

House and the Senate to implement this experiment." No action was taken to fulfill this Sense of the Congress.

On November 20, 1987, the President and congressional leadership approved the Budget Summit Agreement which set forth specific funding totals for domestic, international, and defense discretionary spending for fiscal years 1988 and 1989. The agreement also specified that the President's budget and the budget resolution be consistent with these targets and pledged that supplementals will not be initiated except in the case of dire emergency. Section 8001 of the Budget Reconciliation Act of 1987 (P.L. 100-203) codified the Budget Summit Agreement by establishing budget authority and outlay targets for defense, international, and non-defense discretionary spending, and created enforcement procedures for these targets.

In addition, section 10621(b)(3) of the act stated that it was the sense of the Congress that it should undertake "an experimental multiyear authorization and two year appropriation for the Internal Revenue Service."

In April 1988, the Committee on Governmental Affairs published a Senate Print (S. PRT. 100-93) on "Proposed Budget Reforms: A Critical Analysis", which included papers prepared for the Committee by the Congressional Research Service and the Congressional Budget Office.

V. Legislative History of S. 2478

On June 7, 1988, Senator Ford introduced S. 2478 for himself, Senator Roth, Senator Kassebaum, Senator Heinz, Senator Nickles, and Senator Danforth. On the same day, the bill was referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs with instructions that if one Committee reports, the other Committee has thirty days of continous session to report or be discharged.

The Committee on Governmental Affairs held a hearing on budget reform on June 7, 1988. Biennial budgeting was the central topic. The Committee considered S. 2478 on July 14 and reported favorably by a vote of thirteen to zero after having adopted three amendments offered by Senator Rudman. The bill currently has 27 cosponsors.

COMMITTEE HEARING ON BUDGET REFORM

At its June 7 hearing the Committee heard testimomy from the following witnesses:

Honorable Wendell Ford, U.S. Senator from the State of Kentucky

Honorable William V. Roth, Jr., U.S. Senator from the State of Delaware

Honorable Pete V. Domenici, U.S. Senator from the State of New Mexico

Honorable Don Nickles, U.S. Senator from the State of Oklahoma

Honorable Nancy Kassebaum, U.S. Senator from the State of Kansas

Honorable Charles Bowsher, Comptroller General, United States General Accounting Office

Honorable John J. Rhodes, Cochairman, Committee for a Responsible Federal Budget, Former House Minority Leader

Honorable James Jones, Board of Directors, Committee for a Responsible Federal Budget, Former House Budget Committee Chairman

Carol Cox, President, Committee for a Responsible Federal Budget

Honorable James C. Miller III, Director, Office of Management and Budget

Honorable Robert W. Helm, Comptroller, Department of Defense

Testimony by the Acting Director of the Congressional Budget Office, James Blum, was submitted for the record.

COMMITTEE MARKUP OF S. 2478

The Committee considered S. 2478 on July 14, 1988, culminating with a vote of thirteen to zero to favorably report the legislation as amended to the full Senate.

The Committee adopted by voice vote three amendments offered by Senator Rudman to S. 2478. The first amendment struck language requiring the Appropriations Committees of the House and Senate to complete actions by a certain date. The second amendment struck language establishing new requirements for the content of reports on budget resolutions and other spending measures. The third amendment struck language pertaining to assistance by Federal agencies to standing committees of the Congress.

Senator Rudman had two addition amendments which he withdrew after the Committee suggested that the Committee on the Budget be provided with the opportunity to review these issues. The first amendment struck provisions establishing two year appropriation bills. The second amendment struck provisions establishing the permanent continuing appropriations. Senator Stevens suggested his intention to offer two amendments. The first replaced the provisions establishing two year appropriations with provisions offering two year funding on an experimental basis. The second amendment replaced the provisions establishing two year appropriations with a provision establishing binding levels for domestic, defense, and international affairs program spending during the second year of a biennium. Senator Stevens did not offer his amendments after Senator Rudman said he would work with Senator Stevens during consideration of the legislation in the Committee on the Budget.

The Committee proceeded to report favorably S. 2478, as amended, by a vote of 9 to zero:

YEAS

Levin
Pryor
Mitchell
Bingaman
Roth
Stevens

Heinz
Trible
Glenn
Rudman [1]
Nunn [1]
Sasser [1]
Cohen [1]

[1] By proxy. By Committee Rules, Proxy votes are counted for recording purposes only on final passage.

VI. Section-by-Section Analysis

Section 1 designates the Act the "Biennial Budget Act of 1988".

Section 2(a) sets forth the findings of the legislation. These are that the Federal budget process allows for insufficient time for (a) the fulfillment by the Congress of its legislative and oversight responsibilities; (b) the review and consideration of authorizing legislation, budget resolutions, and appropriation bills and resolutions and other spending provisions; (c) the evaluation of costly and complicated Federal programs, and thereby contributes to the unrestrained growth of the Federal budget; and (d) for agencies and State and local governments to plan for the implementation of programs.

Section 2(b) sets forth the purposes of the legislation. These are to establish a biennial budget process, to improve congressional control over the budget process, to streamline the budget process, to improve legislative and budget processes by providing additional time for oversight and other vital activities, to provide stability and coherence for recipients of Federal funds, and to implement other improvements in the Federal budget process.

Section 3 revises section 300 of the Congressional Budget Act to establish a timetable for the biennial budget cycle, as follows:

First Session

First Monday after January 3	President submits budget recommendations.
February 15	Congressional Budget Office submits report to Budget Committees.
February 25	Committees submit views and estimates to Budget Committees.
March 31	Senate Budget Committee reports concurrent resolution on the biennial budget.
April 15	Congress completes action on concurrent resolution on the biennial budget.
May 15	Biennial appropriation bills may be considered in the House.
June 10	House Appropriations Committee reports last biennial appropriation bill.
September 30	Congress completes action on reconciliation legislation.
September 30	Congress completes action on biennial appropriation bills.
October 1	Biennium begins.

Second Session

On or before May 15	Congressional Budget Office submits report to Budget Committees.
The last day of the session	Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium period.

Section 4(a) amends section 2 of the Budget Act regarding the purposes of the Budget Act.

Section 4(b) amends section 3 of the Budget Act to define the "biennium" as a period of 2 fiscal years beginning October 1 of any odd-numbered year.

Section 4(c) makes conforming changes in section 202 of the Budget Act, regarding the duties and functions of the Congressional Budget Office.

Section 4(d) amends section 301 of the Budget Act to change the date for the completion of the budget resolution to April 15 of each odd-numbered year, to change the date for the submission of Committee's views and estimates to February 25 of each odd-numbered year, to change the date for the reporting of the budget resolution to March 31, and to make conforming changes.

Section 4(e) amends section 302 of the Budget Act to make 302(b) allocations binding for each year in a biennium.

Section 4(f) makes conforming changes in section 303 of the Budget Act regarding consideration of new budget authority, changes in revenues, changes in the public debt, new entitlement authority, and new credit authority to be effective in a fiscal year for which there is no budget resolution.

Section 4(g) makes conforming amendments in section 304 of the Budget Act regarding revised budget resolutions.

Section 4(h) makes conforming amendment, in section 305 of the Budget Act regarding procedures for consideration of the budget resolution.

Section 4(i) makes conforming amendments in section 308 of the Budget Act regarding reports and summaries of congressional budget action.

Section 4(j) makes conforming amendments in section 309 of the Budget Act regarding House approval of regular appropriation bills.

Section 4(k) amends section 310 of the Budget Act to change the date for completing the reconciliation process to September 30 of each odd-numbered year. Maximum time for debate in the Senate on any reconciliation bill and all amendments thereto is expanded from 20 hours to 100 hours. This section also specifies that a reconciliation bill may make changes in law only with regard to budget matters.

Section 4(l) amends section 311 of the Budget Act to enforce aggregate budgetary levels for each fiscal year in a two-fiscal year period, and to make conforming changes.

Section 4(m) makes conforming changes to section 401 of the Budget Act regarding consideration of new contract and borrowing authority which is not controlled by the appropriation process.

Section 4(n) amends section 403 of the Budget Act to require the Congressional Budget Office to provide estimates for three years following the current fiscal year instead of four.

Section 5(a) amends 31 U.S.C. 1101 to define "biennium." (See analysis at section 4(b) above.)

Section 5(b) amends 31 U.S.C. 1104 to require that the President consult with the Budget Committees, the Appropriations Committees, and the appropriate authorizing committees in making changes in the table of accounts in the budget submission.

Section 5(c) amends 31 U.S.C. 1105 to require the President to submit a biennial budget on or before the first Monday after January 3 of each odd-numbered year, and to make conforming changes.

Section 5(d)–5(g) makes conforming amendments in 31 U.S.C. 1105.

Section 5(h) amends 31 U.S.C. 1105 to require the President's biennial budget to comply with maximum deficit amounts in Gramm-Rudman-Hollings for each year.

Section 5(i) amends 31 U.S.C. 1105 and 1106 to require that updated budget submissions for the biennium comply with maximum deficit amounts in Gramm-Rudman-Hollings for each year.

Section 5(j) amends 31 U.S.C. 1109 to require that the current services budget be submitted at the same time as the President's budget submitted under 31 U.S.C. 1105.

Section 5(k) makes conforming changes in 31 U.S.C. 1110 regarding year ahead requests for authorizing legislation.

Section 5(l) makes conforming changes in 31 U.S.C. 1114 regarding budget information and consulting services.

Section 6 amends section 105 of 1 U.S.C. regarding the title and style of appropriation acts by providing that all regular appropriations be for a biennium and specify separate amounts for each year in a biennium.

Section 7 provides increased authority for the chairmen and ranking members of standing committees to request information, analyses, studies, and other assistance from Federal agencies in the budget formation, appropriation, authorization, and program oversight processes.

Section 7(a) makes explicit the authority of standing committees of the Senate and the House of Representatives to obtain information from executive agencies regarding the operation of programs within the jurisdiction of the committees. The phrase "standing committees" includes authorizing committees and appropriations committees. This section does not include requests and justifications for appropriations submitted by agencies to the President as part of the formulation of the President's budget recommendations. (Prior to enactment of the Budget and Accounting Act, 1921, each agency submitted its requests and justifications for appropriations directly to the Congress. The Budget and Accounting Act, 1921, provided for the submission of such requests to the President for submission to the Congress.)

Section 7(b) provides that executive agencies shall provide information on computer tapes or disks to committees on request on the same basis that information in printed form has been provided, that is, without charge, and that the House Committee on House Administration and the Senate Committee on Rules and Adminis-

tration shall promulgate rules to minimize the duplication of requests.

Section 7(c) provides that General Accounting Office audits and reviews of Federal programs shall be provided, on request, to committees conducting studies of such programs.

Section 7(d) provides that legislative staff agencies shall provide such assistance to committees conducting reviews and studies of Federal programs as the committees may request and that are consistent with the duties and functions of the agencies.

Section 7(e) makes explicit that the provisions of this section do not supersede requirements for the protection of appropriately classified confidential information.

Section 8 makes conforming changes in the Rules of the House of Representatives.

Section 9 amends 31 U.S.C. 13 regarding continuing appropriations. When an appropriation has not been enacted for a new fiscal period prior to October 1, programs will automatically be funded at their previous year's level until a new appropriation bill has been enacted. This shall be effective beginning after September 30, 1990.

Section 10 sets out the effective dates of the Act. Generally, the provisions of the Act are effective January 1, 1988, with respect to the biennium beginning on October 1, 1989. The current authorizing, budget, and appropriation processes will continue to operate for fiscal year 1989.

VII. Regulatory Impact of Legislation

Paragraph 11(b)(1) of Rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate "the regulatory impact which would be incurred in carrying out this bill."

The enactment of this legislation will not have significant regulatory impact.

VIII. Cost Estimate of Legislation

U.S. Congress,
Congressional Budget Office,
Washington, DC, August 24, 1988.

Hon. John Glenn,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed S. 2478, the Biennial Budget Act of 1988, as ordered reported by the Senate Committee on Governmental Affairs, July 12, 1988. CBO expects that enactment of this bill would result in no significant costs or savings to the federal government, and in no cost to state or local governments.

The bill would establish a process for adoption of a two-year federal budget, rather than the existing one-year budget. Major features of such a process would include a biennial Congressional budget resolution, appropriation bills, reconciliation legislation, and President's budget request.

Because the bill would restructure the timing of work for both the legislative and executive branches, rather than add or subtract responsibilities, CBO does not expect the bill to affect significantly federal costs associated with the budget process. It is possible that by providing appropriations to agencies for two years rather than one, a biennial budget process might allow agencies to realize some efficiencies or savings. If an agency has the certainty of funds for two years, it might be able to secure better procurement contracts, which likely would result in the government getting more for its dollar. Federal outlays would only be affected if appropriations were correspondingly reduced.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is James Hearn, who can be reched at 226–2860.

Sincerely,

JAMES L. BLUM,
Acting Director.

IX. ADDITIONAL VIEWS OF SENATOR CHILES

On July 12, 1988, the Governmental Affairs Committee voted to report out S. 2478, the Ford-Roth two-year budgeting bill. That was fourteen years—to the day—after the Congressional Budget Act of 1974 became law. My colleagues who were in the Senate then will remember that creating a Congressional budget process in 1974 was not a quick or easy thing to do. Just as we acted deliberately then, we should not rush into making this significant budget process change without taking at least the due consideration that such a weighty matter deserves.

S. 2478 would make substantial changes in that budget process. It would institute two-year budgeting, provide for automatic continuing resolutions, and make other important changes in the appropriations and budget process. While there is much to be said for experimenting with two-year appropriations in certain programs, we should not try to do too much, too quickly.

A NEW LEADERSHIP IS COMING IN

Let's not forget that there will be a new President in January. It is entirely probable—and certainly to be hoped—that he will get along with the Congress a whole lot better on budget issues than did President Reagan. Remember that much of the delay that has been the impetus for two-year budgeting resulted from the gridlock we had over policy. It was not the process that caused most of that delay. No matter who the next President is, I'm confident that he will work more constructively with the Congress on this issue. Even if we don't change the process at all, there's bound to be more cooperation and a smoother budget debate.

Practically everyone involved with the budget is changing. The leadership of all the money committees is changing. January will see a new chairman of the Committee on the Budget, a new chairman of the Committee on Appropriations, and very possibly a new Chairman of the Committee on Finance. In addition, a new Majority Leader will take the reigns in January. To my knowledge, none of these incoming chairmen and leaders have been involved in the drafting of this measure, but they should be. We should not bind a new budgetary leadership of the Senate with a whole new structure without their involvement and participation.

For that matter, to my knowledge, none of the outgoing chairmen of the Committees on the Budget, Appropriations, or Finance, or the Majority Leader have been involved in the drafting of this measure, either. That means that an awful lot of talent and staff resources who know something about the budget process have not been brought to bear on this issue.

Last year, when we needed to revise the automatic trigger mechanism of Gramm-Rudman-Hollings, both sides of the aisle convened

task forces on the budget process. Those task forces yielded fruit with the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, a major piece of legislation which governs us today. Something as major as S. 2478 deserves a similar process of review and improvement.

So I commend the Senators from Kentucky and from Delaware for their efforts on this subject. The time will soon come when the Senate will act on this issue. I am just concerned that this is not the right time or place to draw up this bill.

CAUSES FOR CONCERN REGARDING TWO-YEAR BUDGETING

At the outset let me recommend for your review the CBO staff working paper on the general subject of two-year budgeting: Congressional Budget Office, Biennial Budgeting (Nov. 1987) (available from CBO).

At first blush, two-year budgeting appears as though it might help. I have some concerns, however, with proceeding directly to a two-year process for budget resolutions without a period for experimentation. The Senate can make much progress toward the goals of two-year budgeting by adopting two-year appropriations bills. The Senate should move in this direction on a subject-by-subject basis. The results of this experimentation process would allow us better to assess the entire two-year budgeting idea. Here are my concerns with moving more expeditiously:

Relationship to Gramm-Rudman-Hollings.—The Ford-Roth bill makes no attempt to integrate the Gramm-Rudman-Hollings timetable into the two-year budget cycle. Across-the-board cuts could occur at the end of the first fiscal year of the two-year cycle (at the same time in relation to the budget resolution as under present law) and again at the end of the second year—a year and a half after Congress adopted the budget resolution. (I have attached a comparison of timetables under current law and Ford-Roth. Changes explicitly made by Ford-Roth appear in bold type.)

The bill would thus increase the risk of across-the-board cuts because of the greater time between adoption of the budget resolution and the determination of whether Gramm-Rudman-Hollings required the cuts. The annual across-the-board cutting mechanism of Gramm-Rudman-Hollings could well require Congress to ignore the two-year budget cycle and address the possibility of cuts in the second fiscal year through ad hoc budgetary legislation. If Congress waits until the OMB's first report in August of the second year (which more than likely will come during recess), then Congress will have only about a month during which to put together some sort of budgetary alternative. This sort of time pressure gives the President more of an upper hand.

There is no easy solution to this problem. One alternative would be that Congress would abandon the annual discipline of Gramm-Rudman-Hollings in favor of even more draconian discipline every other year. The odds of across-the-board cuts would be even greater in the second year under such a scheme.

Perhaps a more palatable alternative would be to have a system where a budget resolution would be required whenever it looked like we were heading for a sequester. Whenever CBO, using the

Gramm-Rudman-Hollings baseline, issued a report indicating that it appeared that across-the-board cuts would occur unless we took action to avoid them, then a requirement for a budget resolution would be automatically triggered.

Note that the intersection of Gramm-Rudman-Hollings and two-year budgeting has already caused difficulties for the experiment in two-year budgeting for the Department of Defense. See id. at 10–11.

Stability of Forecasts.—We do not have the capability accurately to forecast far enough in advance to plan the entire budget for two years. Currently we have enough difficulty obtaining forecasts accurate enough to budget for one year. As the CBO working paper I cited above states, "Expanding the horizon of the budget year will undoubtedly increase errors in budget projections. . . ." Id. at 2. Look at this year's example. No one predicted the drought with its significant effects on the budget, and we just adopted the budget in June.

Pressure to Revise.—As the CBO working paper says: "The pressure to revise the budget would often be strong, . . . and no rules of the Congress exist that would prevent it from doing so." Id. at 1. Experience teaches that participants in the budget process will seek to revise out-of-date budget figures as time wears on. When they do, they will pass revised budgets and supplementals—procedures that involve less rigorous analysis of the larger budget picture. This revision process may well lead to giving just as much attention to annual budgets, but doing so on a less organized basis.

New Issues.—In addition to economic pressures to revise, Congress will confront new issues—such as drug abuse, AIDS, or homelessness—that it will want to address. Two-year budgeting will force the Congress to delay longer addressing these issues or address them through ad hoc procedures outside of the budget.

Annual Budgeting Imposes Discipline.—The current process of annual budgeting forces the President to face the taxing and spending issue every year. A two-year cycle would hold the President's feet to the fire less often. The budget problem we face is not one of paying too much attention to reducing the deficit. Congress and the President need continual reminding of the fiscal effects of their actions. Addressing the budget less frequently goes in the wrong direction.

Annual Budgeting Forces the President to Cooperate.—Giving up the annual budget would surrender one of Congress's most valuable tools to check and balance the President:

> The "must-pass" character of appropriations requires the Executive Branch to negotiate in good faith and to conform to previously enacted law. Therefore, forgoing annual appropriations would mean that the Congress would periodically do without its most coercive tool. In the absence of annual appropriation controls, the Congress might respond by writing legislation more restrictively for agencies that it did not trust. By eliminating agencies' flexibility, these "micromanagement" provisions could force them to act inefficiently. Yet, since it would often be difficult for the Congress to anticipate future conditions, agencies would

> probably be left with greater discretion than they currently enjoy.

Id. at 3; see also id. at 41.

Budget Enforcement Erodes.—Experience teaches that the effectiveness of budget points of order in containing spending declines as the year progresses and exceptions arise, staff find their way around them, and momentum builds to waive them. Furthermore, the numbers on which the points of order would be based would either become out of date or require revision.

The Byrd Rule.—Advocates of two-year budgeting argue that it is needed because Congress tries to attach too many pieces of legislation to the annual reconciliation bill. The Senate has addressed that problem directly by prohibiting extraneous amendments to the reconciliation bill. We need not throw out the entire annual budgeting process to correct small procedural problems.

Delays.—Some have advocated two-year budgeting as a tool to decrease delays and missed targets. As the CBO working paper concludes, however, two-year budgeting will more likely cause the opposite result:

> [One two-year budgeting] model assumes that having a longer period for making budgetary decisions will make missing targets less likely. The accuracy of this assumption is questionable. Delay is probably inherent to budgeting because of the important decisions that are made in this comprehensive process. In addition, differences over budgetary goals between the Congress and the President, and between the House and the Senate, have been important causes of missed target dates. Biennal budgeting is likely to make it ever more difficult to reach compromises over major policy differences, because the stakes will be higher with a two-year budget that with a one-year budget.

Id. at 2; see also id. at 31.

State Experience.—States have moved away from the two-year budget. Forty-four states used it in 1940; only 19 do now. Id. at 2. In 11 of the states with two-year budgets, either the state constitution or tradition provide for major annual reviews of the budget. Id. at 19. See generally id. at 19–22, 24–25. We should heed the experience of the states.

Accountability.—The two-year budget is a step away from regular accountability. Because budget cuts trigger much of Congress' oversight, two-year budgeting is a step away from regular oversight. It also means one less time that leaders must answer to the American people for their spending. Just as any household must pay its taxes on an annual basis, the Federal Government should have to account annually for its finances.

Experimenting with two-year appropriations measures would not engender the difficulties I have listed here. The Senate could turn more frequently to those issues that it views as most pressing, and leave for longer cycles the issues that do not warrant annual discussion.

CHANGES IN THE BILL ENDORSED BY THE GOVERNMENTAL AFFAIRS COMMITTEE

The Governmental Affairs Committee accepted three amendments by Senator Rudman that struck objectionable sections of the bill dealing with matters other than the two-year budget. I endorse the amendments striking these sections:

Deadline for Appropriations Committee.—Section 4(i)(1) of the bill would add to the budget timetable a deadline for reporting appropriations bills. If the Parliamentarian interpreted this deadline as his office has interpreted the deadline for budget resolutions, it would allow for the discharge of appropriations bills from committee after the deadline had passed. This could disrupt the orderly consideration of appropriations measures. Consequently, I support Senator Rudman's amendment to strike this section.

More Cost Report Requirements.—Section 4(p)(1) of the bill would require any budget resolution, 302(b) allocation, current level report, bill changing entitlements, or bill "which contains or modifies estimates of budget outlays" to be accompanied by tables that set forth budget authority, entitlement authority, and outlays with account-level detail. It would thus require the budget resolution report, the Appropriations Committee's allocation to subcommittees, and at least the first current level report to include backup data taking up about the same amount of space as a telephone book. This would force the Budget Committee to make much more explicit decisions than currently (essentially those left to the committees) when it reports out the budget resolution and the Appropriations Committee to make much more explicit decisions than currently (essentially those left to its subcommittees, that is, those necessary to report out actual bills) when it makes its 302(b) allocation. Senator Rudman's amendment would strike this section.

More Executive Department Reporting Requirements.—Section 7 of the bill would require executive department officers to submit reports and computer material—including advice to the President—upon request by chairmen and ranking members of congressional committees. The President could reasonably object to the requirement that his advisors tell Congress exactly what they told him. Senator Rudman's amendment would strike the part of section regarding advice to the President.

AUTOMATIC CONTINUING RESOLUTIONS

The Ford-Roth bill also includes a major change of the law regarding continuing resolutions. Under the bill, appropriations would automatically continue at the last year's level whenever we failed to enact an appropriations bill before the start of the fiscal year.

This automatic appropriations procedure would invite disagreement between the President and Congress. Under current law, Congress and the President must agree on some sort of appropriations legislation or the Government shuts down. At the end of the fiscal year, the President must sign what the Congress passes or he gets nothing. Under this proposal, the default changes to continuing the existing situation. It thus reduces the costs of failing to agree.

Under this bill, the President—using his veto—could prevent new appropriations bills from becoming law as a means to achieve the levels provided in the automatic bill. Where the President preferred existing levels to the ones Congress adopted, he could simply keep vetoing appropriations bills until Congress sent back one that he liked.

For example, if Congress wished to cut defense spending, but the President wanted to keep defense spending at the same levels as during the prior two-year period, the President would simply veto every defense appropriations measure. Further cuts would require two-thirds votes in Congress.

We shouldn't invite roadblocks like this. Senator Rudman has promised to offer an amendment that would strike this section. I would support such an amendment.

NEW POINT OF ORDER ON RECONCILIATION

Do we really need another point of order against legislation on reconciliation bills? This bill would creat a point of order against—among other things—a provision on a reconciliation bill that would provide for asset sales, or authorize spending subject to later appropriation. Section 4(1)(2)(B) of the bill would create a point of order against provisions on reconciliation legislation dealing with anything other than contract authority, borrowing authority, entitlements, collection of offsetting receipts, other non-appropriated direct spending authority, revenues, or the public debt. The new point of order thus would limit the versatility of the reconcilation process.

MORE DEBATE ON RECONCILIATION

Do we really need to make the time for debate on reconciliation bills five times longer than it is now? This bill would do that. Section 4(1)(2) of the bill would expand the time for debate on reconciliation bills from 20 to 100 hours, that is, from about 2–4 days of session to about 5–13 days of session. Even under the current 20-hour limit, debate on reconciliation has frequently stretched out over four days and once went as long as nine days (for the Consolidated Omnibus Budget Reconciliation Act of 1985). As reconciliation bills frequently come to the floor at the end of the session, this change would make an effective filibuster possible.

SHORTER PROJECTIONS

The bill would reduce from five to four the number of years of projections required in the report to accompany the budget resolution (section 4(d)(4)(C)(i) of the bill), CBO's report under section 308(c) of the Congressional Budget Act (section 4(j)(3)(A)), CBO's analysis of spending in any bill reported (section 4(o)(2)), and the President's budget submission (sections 5(c)(2) and 5(c)(3)) (but not for proposals that would expand Government activities, for which the requirement expands to six years (section 5(c)(5))). This change would run counter to the bill's goal of expanding the planning horizon.

LET'S ACT CAUTIOUSLY

In sum, we should give a good deal of thought to how two-year budgeting would work. The new leadership of the Senate and the money committees should be involved in this examination. If the Senate chooses to move forward on two-year budgeting, it should correct several sections of the Ford-Roth bill that pose problems on unrelated subjects. Once again, I commend the Senators from Kentucky and Delaware for their hard work on this subject, and wish the new leadership of the budget process the best of luck in whatever procedural environment the Senate provides them.

FIRST YEAR TIMETABLE

Current law	Ford-Roth	Action to be completed
January 1	January 1	Date from which deficit reduction is measured.
Monday after January 3	Monday after January 3	President submits his budget.
February 15	February 15	CBO submits report to Budget Committees.
February 25	February 25	Committees submit views and estimates to Budget Committees.
April 1	March 31	Senate Budget Committee reports budget resolution.
April 15	April 15	Congress completes budget resolution.
May 15	May 15	Appropriation bills may be considered in the House.
June 10	June 10	House Appropriations Committee reports last appropriations bill.
June 15		Congress completes reconciliation.
June 30	June 15	House completes appropriations.
	June 30	Senate Appropriations Committee reports last appropriations bill.
July 15	July 15	President submits mid-session budget report.
	July 31	Senate completes appropriations.
August 15	August 15	Initial OMB/CBO snapshot.
August 15	August 15	Presidential notification regarding Military Personnel.
August 20	August 20	CBO issues its initial report.
August 25	August 25	OMB issues its initial report.
August 25	August 25	President issues initial order.
September 6	September 6	President's message re initial order.
	September 30	Congress completes reconciliation.
	September 30	Congress completes appropriations.
October 1	October 1	Fiscal year/biennium begins.
October 10	October 10	CBO issues its revised report.
October 15	October 15	OMB issues its revised report.
October 15	October 15	President issues final order, effective immediately.
November 15	November 15	Comptroller General's compliance report.

SECOND YEAR TIMETABLE

Current law	Ford-Roth	Action to be completed
January 1	January 1	Date from which deficit reduction is measured.
Monday after January 3		President submits his budget.
February 15		CBO submits report to Budget Committees.
February 25		Committees submit views and estimates to Budget Committees.
April 1		Senate Budget Committee reports budget resolution.
April 15		Congress completes budget resolution.
May 15		Appropriation bills may be considered in the House.
	May 15	CBO submits report to Budget Committees.
June 10		House Appropriations Committee reports last appropriations bill.
June 15		Congress completes reconciliation.
June 30		House completes appropriations.
July 15	July 15	President submits mid-session budget report.
August 15	August 15	Initial OMB/CBO snapshot.
August 15	August 15	Presidential notification regarding Military Personnel.
August 20	August 20	CBO issues its initial report.

SECOND YEAR TIMETABLE—Continued

Current law	Ford-Roth	Action to be completed
August 25	August 25	OMB issues its initial report.
August 25	August 25	President issues initial order.
September 6	September 6	President's message re initial order.
	last day session	Congress completes authorization bills.
October 1		Fiscal year begins.
October 10	October 10	CBO issues its revised report.
October 15	October 15	OMB issues its revised report.
October 15	October 15	President issues final order, effective immediately.
November 15	November 15	Comptroller General's compliance report.

LAWTON CHILES.

ADDITIONAL VIEWS OF SENATOR NUNN

I want to lend my strong support to efforts to establish biennial budgeting. As many know, the Armed Services Committee required the Department of Defense and related agencies to submit a two-year defense budget last year, and the Congress enacted it last year for the first time. It was a partial effort, but it certainly was a step in the right direction.

I applaud and support the efforts of Senator Ford and others who have been leaders for years in an effort to apply the two-year concept to the entire federal budget. I especially applaud him for making it a comprehensive biennial proposal—including the budget resolution and most importantly the appropriations bills. Ultimately, biennial budgeting will fail if there are no new two-year appropriations bills.

I do have some concerns about the timing sequence in the Ford bill, as it does not fully recognize the current way the defense authorization bill is handled, particularly with our experience as a two-year authorization. I believe, however, I can work with Senator Ford and others to modify the bill in order to take care of those concerns.

SAM NUNN.

ADDITIONAL VIEWS OF SENATOR RUDMAN

OVERVIEW

I voted to report S. 2478, because I believe some limited reform in the budget process is necessary and that this bill should be kept alive to provoke further discussion of the issue. Although S. 2478 has some good features, it makes significant deleterious changes in the appropriations process and I will oppose the bill unless it is significantly altered during the deliberations of the Budget Committee and the full Senate.

I agree with the sponsors of S. 2478 on some points. I agree that Congress, and the Senate in particular because of the absence of controlled floor deliberations, spends too much time revisiting the same issues again and again. I also agree that much of this duplication is unnecessary. There is no reason to have annual consideration of regular budget resolutions, which are intended to be broad fiscal blueprints. Similarly, with the possible exception of the Defense authorization bill, I see little utility in annual authorization measures. It is worth noting that, again with the exception of Defense, even where annual authorizations are required for agencies and programs, they are frequently not enacted. Furthermore, I believe that it would be desirable to experiment with multi-year appropriations in certain limited categories of federal spending.

Having said this, S. 2478 errs in two major respects. First, it eliminates the existing annual appropriations process. This step has major ramifications for the core congressional power to appropriate funds; it was taken without any showing that the annual appropriations process is burdensome or that the delays which have occurred in this process can be resolved by switching to biennial appropriations.

Second, S. 2478 would eliminate the requirement that Congress act on appropriations measures (whether on an annual or biennial cycle) by providing for an automatic continuing resolutions whenever the regular appropriations measures are not enacted. This proposal is based on a major misunderstanding of how continuing resolutions are now constructed and ensures that appropriations measures will never be considered in anything resembling a timely basis, making today's process look like a model of punctuality.

These two changes in S. 2478 have such serious ramifications, that I cannot support the measure in its current form. It is worth noting that this Committee did not consider these issues in any serious manner. The Committee's first attempt to markup S. 2478 failed for lack of a quorum. When S. 2478 was considered the second time, there was no quorum except for the 30 seconds necessary to report the measure out. Accordingly, I chose not to offer amendments correcting these problems at that time.

ANNUAL APPROPRIATIONS

It is widely recognized that the "power of the purse" is the core power of Congress. Article I, Section 9, clause 7 of the Constitution provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

The reason for this was succinctly explained by James Madison in *Federalist 58:*

> This power of the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure.

Under our system for appropriating funds, which has existed for a great many years, the President proposes a budget for every agency and program every year. That budget is reviewed by the Congress. It is then adopted with whatever changes Congress believes is appropriate and the President is prepared to sign into law, or for which two-thirds of each house is prepared to override a presidential veto.

WHY KEEP ANNUAL APPROPRIATIONS

The annual appropriations measures are routinely used by Congress to fine tune government policy and ensure that laws are administered in accordance with the will of the people. This fine tuning is necessary to adjust for changing circumstances, mistakes in writing laws, and abuses by the bureaucracy.

Although anyone can point to incorrect decisions among the thousands made in this manner each year, the vast majority of these decisions are correct and not particularly controversial. They range from funding adjustments for federal agencies operating overseas to take into account changes in the value of the dollar, responses to rapidly developing crises such as the AIDS epidemic and increasing drug use, and directives to force the bureaucracy to comply with existing statutes. In many instances, it is the annual appropriations bill which gives Members the only opportunity to make themselves heard.

The Department of Justice has not been authorized since 1981 and the Department of State went about five years without authorization until fiscal year 1986. The Federal Trade Commission has not been authorized during my time in the Senate. The unfortunate fact is that, for reasons large and small, there is frequently no opportunity to address policy questions except on appropriations bills. The desire and need to use appropriations measures is not limited to Members of any party, ideology, or committee. It is universal.

In this context, changing to biennial appropriations as the regular order of business has significant consequences. First, it will shift power from Congress to the executive by weakening the ability of Congress to proper implementation of important statutes. This will occur for the simple reason the number of opportunities

Congress has to review decisions concerning the use of funds will be cut in half. There is no greater demonstration of why such a change would be a mistake than the recent Office of Management and Budget instructions to federal agencies to ignore congressional report language. Fortunately, under the leadership of Senator McClure, action is now being taken to cure this arrogation of power.

Second, the advent of biennial appropriations will make government more inflexible and less able to adapt to changing circumstances. To cite just one example, the rapid federal response to the AIDS epidemic would not have been possible under a system of biennial appropriations. There is a constant need to respond to events and changing circumstances and that cannot occur if Congress only considers appropriations bills every other year. Alternatively, Congress can consider repeated supplementals during the second year of the cycle, but to do that would make the change to a biennial cycle meaningless.

Third, it will become more difficult to oversee nuts and bolts questions relating to federal spending than is now the case. With the exception of the House and Senate Armed Services Committees, the authorizing committees generally confines themselves to larger question relating to the design, structure, and existance of federal programs. It is usually only in the appropriations process that basic questions such as staffing levels, location of offices, and the like are addressed. These basic questions must be addressed annually. They will not be if Congress switches to biennial appropriations.

MISCONCEPTIONS ABOUT ANNUAL APPROPRIATIONS

Finally, I would like to address some misconceptions about the existing appropriations process. First, it is not excessively time-consuming and it does not interfere with other legislative activity. The full Senate rarely spends more than three weeks a year addressing appropriations bills—not too much time in which to spend over half a trillon dollars. Moreover, if three weeks is too much time, a switch to biennial appropriations is unlikely to reduce and may increase that. The regular annual (or biennial) bills would each take longer as their importance is enhanced. To the extent more supplementals are required than is now the case, it would further increase the amount of time spent by the Senate on appropriations.

Second, biennial appropriations will not lead to more timely enactment of appropriations measures. If anything is clear about the history of the last two decades and the switch from a July 1 to October 1 fiscal year, it is that Congress will run into and pass whatever deadlines exist.

The fact is that the appropriations process now operates in a rapid and effective fashion. When conclusion of the process is delayed, it is for reasons beyond the control of the process. These can be Executive-legislative disputes over fiscal policy, as in 1982, 1985, and 1987, or disputes over some controversial legislative item connected to appropriations, such as the abortion fights which delayed the Labor-HEW appropriations bills in the late 1970's. These problems generally do not consume excessive time on the floor of the

Senate, and thus do not delay other legislation, and would arise irrespective of the time-frame of the bills.

Some have pointed to last November's budget summit agreement and the rapid movement of appropriations bills this year as justification for biennial budgeting. In fact, the summit agreement proves that Effective-legislative agreement on broad fiscal policy questions is vital and the government's fiscal blueprint can be adopted on a biennial basis. It also proves that most of the delay in recent year's in appropriations bills are not attributable to the appropriations process. The summit agreement does not make the case for biennial appropriations bills.

Third, I agree with the views expressed by many of my colleagues that the Senate frequently spends too much time revisiting the same issues. However, there are some points to keep in mind before we use that as an excuse to wreck the existing appropriations process. This only happens on a few highly charged issues, and much of that duplication could be eliminated by switching to biennial budget resolutions and multi-year authorization bills, both of which I support. The duplication also occurs when the body is closely divided and the outcome is in doubt. The incentive to revisit issues could be diminished greatly with a little more consistency. Finally, budget resolutions are only supposed to address broad questions of government fiscal policy, and duplication could be reduced under an annual cycle if that were kept in mind when those resolutions are pending.

CONCLUSION

As I indicated at the outset, it is probably desirable to experiment with multi-year appropriations for specified programs. We conducted such an experiment with the B–1 bomber program in 1981 and, to some extent, that was a success. But the case has not been made for a biennial appropriations process and it should not be included in this bill.

Automatic continuing resolutions

The second grave error made in S. 2478 is its provision providing that, where regular appropriations bills are not enacted by the beginning of the fiscal year, a continuing resolution will automatically go into effect for as much as two years. This provision is a mistake whether Congress ultimately decides on an annual or a biennial appropriations process.

The unfortunate fact of life is that automatic continuing resolutions will make it much more difficult to enact regular appropriations bills on anything resembling a timely basis. At the present time, the one factor which keeps the appropriations process moving in a timely fashion is the need for Congress and the President to enact something, or the government shuts down. This incentive will be destroyed if continuing resolutions can take effect automatically.

When the requirement for action is eliminated, it gives those holding the minority view on a policy a strong incentive to prevent enactment of a bill. This incentive will exist whether the point of view is to eliminate or create a program, to raise or cut funding, or

to enact or defeat some appropriations rider. We must not forget that our constitutional system for enacting laws was deliberately designed to make it easier to block than to pass statutes.

The incentive to prevent action will be especially great for those programs or policies which raise emotions, be it the Strategic Defense Initiative, Contra aid, legal services, or federal funding for abortion. An auto-pilot mechanism as proposed in S. 2478 cannot but tempt Senate opponents of a policy to filibuster, the House leadership to tie up appropriations bills in conference or the Rules Committee, and a President to veto appropriations bills unnecessarily.

When completion of the appropriations bill is delayed, it is invariably due to major substantive disputes. It is the need to act in some manner which forces the resolution of those disputes. Automatic continuing resolutions, by relieving the deadlines, will make resolution of the issues harder and enactment of the bills more difficult.

The result will be government operating under continuing resolutions more regularly and for longer periods. But, government cannot operate on auto-pilot for any length of period. Programs and activities which would otherwise expired will be continued. Technical adjustments to appropriations bills cannot be made. Crucially needed spending increases will not take effect. Recipients of federal funds cannot plan.

(As an aside, because the last appropriations measure enacted in recent years has been called a continuing resolution, many have mistakenly assumed that the federal government has been regularly operating under classical continuing resolutions, where spending is continued at something resembling the prior year's level. In fact there has been no long term "traditional" continuing resolution since FY 1981. Since that time, the last continuing resolution has in fact been an omnibus appropriations bill which is only distinguishable from regular bills by the fact that it contains more than one of them. In virtually every year, most of the regular bills have been considered by each body separately. Finally, while this omnibus appropriations bill has never been enacted by October 1, it has always been enacted in the fall.)

In short, adoption of the provision in S. 2478 providing for automatic continuing resolutions will destroy any ability of Congress to decide appropriations matters in a timely fashion, and the provision should be deleted.

As I stated at the outset, there are elements of S. 2478 which I support, notably the change to a biennial budget resolution process. However, the bill contains provisions which will seriously damage the appropriations process, thereby affecting the ability of Congress to fulfill its most important function. Although I voted to report the bill from the Governmental Affairs Committee in the hope that its defects can be cured and to keep the process moving, my further support for the measure is contingent on corrective action by the Budget Committee and the full Senate.

WARREN B. RUDMAN.

X. Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

Congressional Budget and Impoundment Control Act of 1974, As Amended

SECTION 1(b) OF THAT ACT

(b) TABLE OF CONTENTS.—

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TITLE III—CONGRESSIONAL BUDGET PROCESS

Sec. 300. Timetable.
Sec. 301. [Annual] *Biennial* adoption of concurrent resolution on the budget.
Sec. 302. Committee allocations.
Sec. 303. Concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered.
Sec. 304. Permissible revisions of concurrent resolutions on the budget.
Sec. 305. Procedures relating to consideration of concurrent resolutions on the budget.
Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
Sec. 307. House committee action on all appropriation bills to be completed by June 10.
Sec. 308. Reports, summaries, and projections of congressional budget actions.
Sec. 309. House approval of regular appropriation bills.
Sec. 310. Reconciliation.
Sec. 311. New budget authority, new spending authority, and revenue legislation must be within appropriate levels.

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SECTION 2 OF THAT ACT

DECLARATION OF PURPOSES

SEC. 2. The Congress declares that it is essential—

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination [each year] *biennially* of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

SECTION 3(4) OF THAT ACT

(4) The term "concurrent resolution on the budget" means—

(A) a concurrent resolution setting forth the congressional budget for the United States Government for a [fiscal year] *biennium* as provided in section 301; and

(B) any other concurrent resolution revising the congressional budget for the United States Government for a [fiscal year] *biennium* as described in section 304.

* * * * * * *

(11) The term "biennium" means the period of 2 consecutive fiscal years beginning on October 1 of any odd-numbered year.

SECTION 202(f)(1) OF THAT ACT

(f) REPORTS TO BUDGET COMMITTEES.—

(1) On or before [February 15 of each year] *February 15 of each odd-numbered calendar year*, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for [the fiscal year commencing] *each fiscal year in the biennium commencing* on October 1 of that year, with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for [such fiscal year] *such biennium*. Such report shall also include a discussion of national budget priorities, including alternative ways of allocating budget authority and budget outlays for [such fiscal year] *each fiscal year in such biennium* among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development of the United States.

SECTION 202(f)(2) OF THAT ACT

(2) [The Director shall from time to time] *On May 15 of each even-numbered year and at such other times as he or she deems appropriate, the Director shall* submit to the Committees on the Budget of the House of Representatives and the Senate such further reports (including reports revising the report required by paragraph (1)) as may be necessary or appropriate to provide such committees with information, data, and analyses for the performance of their duties and functions.

SECTION 202(f)(3) OF THAT ACT

(3) On or before [January 15] *February 15* of [each year], *each even-numbered calendar year* the Director, after consultation with the appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing (A) all programs and activities funded during [the fiscal year ending September 30 of that calendar year] *either*

fiscal year in the biennium beginning October 1 of the preceding calendar year for which authorizations for appropriations have not been enacted for that fiscal year, and (B) all programs and activities for which authorizations for appropriations have been enacted for [the fiscal year ending September 30 of that calendar year] *either fiscal year of such biennium,* but for which no authorizations for appropriations have been enacted for the [fiscal year beginning October 1 of that calendar year] *succeeding biennium.*

SECTION 300 OF THAT ACT

[TIMETABLE]

[SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

[On or before:	Action to be completed:
[First Monday after January 3	President submits his budget.
[February 15	Congressional Budget Office submits report to Budget Committees.
[February 25	Committees submit views and estimates to Budget Committees.
[April 1	Senate Budget Committee reports concurrent resolution on the budget.
[April 15	Congress completes action on concurrent resolution on the budget.
[May 15	Annual appropriation bills may be considered in the House.
[June 10	House Appropriations Committee reports last annual appropriations bill.
[June 15	Congress completes action on reconciliation legislation.
[June 30	House completes action on annual appropriation bills.
[October 1	Fiscal year begins.]

TIMETABLE

SEC. 300. The timetable with respect to the Congressional budget process for any Congress (beginning with the One-hundred-and-first Congress) is as follows:

First Session

On or before:	*Action to be completed:*
First Monday after January 3	*President submits budget recommendation.*
February 15	*Congressional Budget Office submits report to Budget Committees.*
February 25	*Committees submit views and estimates to Budget Committees.*
March 31	*Senate Budget Committee reports concurrent resolution on the biennial budget.*
April 15	*Congress completes action on concurrent resolution on the biennial budget.*
May 15	*Biennial appropriation bills may be considered in the House.*
June 10	*House Appropriations Committee reports last biennial appropriation bill.*
September 30	*Congress completes action on reconciliation legislation.*

On or before:	*Action to be completed:*
September 30	*Congress completes action on biennial appropriation bills.*
October 1	*Biennium begins.*

Second Session

On or before:	*Action to be completed:*
May 15	*Congressional Budget Office submits report to Budget Committees.*
The last day of the session	*Congress completes action on bills and resolutions authorizing new budget authority for the succeeding biennium.*

SECTION 301(a) OF THAT ACT

[ANNUAL] *BIENNIAL* ADOPTION OF CONCURRENT RESOLUTION ON THE BUDGET

SEC. 301. (a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before [April 15 of each year] *April 15 of each odd-numbered year,* the Congress shall complete action on a concurrent resolution on the budget for [the fiscal year beginning on October 1 of such year] *biennium beginning on October 1 of such year.* The concurrent resolution shall set forth appropriate levels for [the fiscal year beginning on October 1 of such year] *each fiscal year in such period,* and planning levels for [each of the two ensuing fiscal years] *each fiscal year in the succeeding biennium,* for the following—

(1) totals of new budget authority, budget outlays, direct loan obligations, and primary loan guarantee commitments;

(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

(3) the surplus or deficit in the budget;

(4) new budget authority, budget outlays, direct loan obligations, and primary loan guarantee commitments for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1); and

(5) the public debt.

SECTION 301(b) OF THAT ACT

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget *for a biennium* may—

(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

(2) include reconciliation directives described in section 310;

(3) require a procedure under which all or certain bills or resolutions providing new budget authority or new entitlement authority for [such fiscal year] *for either fiscal year in such biennium* shall not be enrolled until the Congress has completed action on any reconciliation bill or reconciliation resolution

or both required by such concurrent resolution to be reported in accordance with section 310(b); and

(4) set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act.

SECTION 302(d) OF THAT ACT

(d) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before [February 25 of each year] *February 25 of each odd-numbered year* each committee of the House of Representatives having legislative jurisdiction shall submit to the Committee on the Budget of the House and each committee of the Senate having legislative jurisdiction shall submit to the Committee on the Budget of the Senate its views and estimates (as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House of Representatives or the Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions.

SECTION 301(e) OF THAT ACT

(e) HEARINGS AND REPORT.—In developing the concurrent resolution on the budget referred to in subsection (a) for each [fiscal year] *biennium*, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the Committee deems desirable. Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (c) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, including its views on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. *On or before March 31 of each odd-numbered year the Committee on the Budget of each House shall report to its House the concurrent resolution on the budget referred to in subsection (a) for the biennium beginning on October 1 of that year.* The report accompanying such concurrent resolution shall include, but not be limited to—

* * * * * * *

(6) projections (not limited to the following), for the period of [five] *four* fiscal years beginning with [such fiscal year] *the first fiscal year of such biennium*, of the estimated levels of

total budget outlays and total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in [such period] *such four-fiscal-year period*, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

* * * * * * *

SECTION 301(f)(1) OF THAT ACT

(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the [fiscal year] *biennium* beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

SECTION 301(f)(2) OF THAT ACT

(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the [fiscal year] *biennium* beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

SECTION 301(i)(1)(A) OF THAT ACT

(i) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

(1)(A) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget [for a fiscal year] *for a biennium* under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if the level of total budget outlays [for such fiscal year] *for either fiscal year in such biennium* that is set forth in such concurrent resolution or conference report exceeds the recommended level of Federal revenues set forth for that year by an amount that is greater than the maximum deficit amount for such fiscal year as determined under section 3(7), or if the adoption of such amendment would result in a level of total budget outlays for that fiscal year which exceeds the recommended level of Federal revenues for that fiscal year, by an amount that is greater

than the maximum deficit amount for such fiscal year as determined under section 3(7).

SECTION 302(a)(1) OF THAT ACT

SEC. 302. (a) ALLOCATION OF TOTALS.—

(1) For the House of Representatives, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget *for a biennium* shall include an estimated allocation *for each fiscal year in such biennium*, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays, total new budget authority, total entitlement authority, and total credit authority among each committee of the House of Representatives which has jurisdiction over laws, bills and resolutions providing such new budget authority, such entitlement authority, or such credit authority. The allocation shall, for each committee, divide new budget authority, entitlement authority, and credit authority between amounts provided or required by law on the date of such conference report (mandatory or uncontrollable amounts), and amounts not so provided or required (discretionary or controllable amounts), and shall make the same division for estimated outlays that result from such new budget authority.

SECTION 302(a)(2) OF THAT ACT

(2) For the Senate, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget *for a biennium* shall include an estimated allocation *for each fiscal year in such biennium*, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays, total new budget authority and new credit authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new budget authority.

SECTION 302(c) OF THAT ACT

(c) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority [for a fiscal year] *for either fiscal year in a biennium*;

(2) new spending authority as described in section 401(c)(2) [for a fiscal year] *for either fiscal year in a biennium*;

(3) new credit authority [for a fiscal year] *for either fiscal year in a biennium*;

within the jurisdiction of any committee which has received an appropriate allocation of such authority pursuant to subsection (a) [for such fiscal year] *for such biennium*, unless and until such committee makes the allocation or subdivision required by subsection (b), in connection with the most recently agreed to concurrent resolution on the budget [for such fiscal year] *for such biennium.*

SECTION 302 (f) OF THAT ACT

(f) LEGISLATION SUBJECT TO POINT OF ORDER.—

(1) IN THE HOUSE OF REPRESENTATIVES.—After the Congress has completed action on a concurrent resolution on the budget [for a fiscal year] *for a biennium,* it shall not be in order in the House of Representatives to consider any bill, resolution, or amendment providing new budget authority for [such fiscal year] *a fiscal year in such biennium,* new entitlement authority effective during [such fiscal year] *a fiscal year in such biennium,* or new credit authority for [such fiscal year] *a fiscal year in such biennium,* or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report,

would cause the appropriate allocation made pursuant to subsection (b) for such fiscal year of new discretionary budget authority, new entitlement authority, or new credit authority to be exceeded.

(2) IN THE SENATE.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) [for a fiscal year] *for a biennium,* it shall not be in order in the Senate to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget authority in excess of the appropriate allocation of such outlays or authority reported under subsection (b) in connection with the most recently agreed to concurrent resolution on the budget [for such fiscal year] *for a biennium.*

SECTION 303 OF THAT ACT

SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) as reported to the House or Senate which provides—

(1) new budget authority for a [fiscal year] *biennium*;

(2) an increase or decrease in revenues to become effective during a [fiscal year] *biennium*;

(3) an increase or decrease in the public debt limit to become effective during a [fiscal year] *biennium*;

(4) new entitlement authority to become effective during a [fiscal year] *biennium*;

(5) new credit authority for a [fiscal year] *biennium*; until the concurrent resolution on the budget for such [fiscal year] *biennium* has been agreed to pursuant to section 301.

(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution—

(1) providing new budget authority which first becomes available in a [fiscal year] *biennium* following the [fiscal year] *biennium* to which the concurrent resolution applies; or

(2) increasing or decreasing revenues which first become effective in a [fiscal year] *biennium* following the [fiscal year] *biennium* to which the concurrent resolution applies.

After May 14 of [any calendar year] *any odd-numbered calendar year,* subsection (a) does not apply in the House of Representatives to any general appropriation bill, or amendment thereto, which provides new budget authority for the [fiscal year] *biennium* beginning in such calendar year.

SECTION 304(a) OF THAT ACT

SEC. 304. (a) IN GENERAL.—At any time the concurrent resolution on the budget for a [fiscal year] *biennium* has been agreed to pursuant to section 301, and before the end of such [fiscal year] *biennium* the two Houses may adopt a concurrent resolution on the budget which revises or reaffirms the concurrent resolution on the budget [for such fiscal year] most recently agreed to *for such biennium.*

SECTION 305(b)(3) OF THAT ACT

(3) Following the presentation of opening statements on [the concurrent] *a concurrent* resolution on the budget for a [fiscal year] *biennium* by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

SECTION 308 OF THAT ACT

SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR NEW CREDIT AUTHORITY, OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.—

(1) Whenever a committee of either House reports to its House a bill or resolution, or committee amendment thereto, providing new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), or new credit authority, or providing an increase or decrease in revenues or tax expenditures for a [fiscal year] *biennium,* the report accompanying that bill or resolution shall contain a statement, or the committee shall make available such a statement in the case of an approved committee amendment which is not reported to its House, prepared after consultation with the Director of the Congressional Budget Office—

(A) comparing the levels in such measure to the appropriate allocations in the reports submitted under section 302(b) for the most recently agreed to concurrent resolution on the budget for such [fiscal year] *biennium*;

(B) including an identification of any new spending authority described in section 401(c)(2) which is contained in such measure and a justification for the use of such financing method instead of annual appropriations;

(C) containing a projection by the Congressional Budget Office of how such measure will affect the levels of such

budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments under existing law for [such fiscal year] *such biennium* and each of the four ensuing fiscal years, if timely submitted before such report is filed; and

(D) containing an estimate by the Congressional Budget Office of the level of new budget authority for assistance to State and local governments provided by such measure, if timely submitted before such report is filed.

(2) Whenever a conference report is filed in either House and such conference report or any amendment reported in disagreement or any amendment contained in the joint statement of managers to be proposed by the conferees in the case of technical disagreement on such bill or resolution provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), or new credit authority, or provides an increase or decrease in revenues for a [fiscal year] *biennium*, the statement of managers accompanying such conference report shall contain the information described in paragraph (1), if available on a timely basis. If such information is not available when the conference report is filed, the committee shall make such information available to Members as soon as practicable prior to the consideration of such conference report.

(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

(1) The Director of the Congressional Budget Office shall issue to the committees of the House of Representatives and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority, new spending authority described in section 401(c)(2), or new credit authority, or providing an increase or decrease in revenues or tax expenditures for a [fiscal year] *biennium*. Such reports shall include but are not limited to an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on the budget *for such biennium* with the levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, and with the levels provided by law for [the fiscal year preceding such fiscal year] *each fiscal year in the biennium preceding such biennium.*

(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

(A) shall be made available on at least a monthly basis, but in any case frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

(B) shall include, but are not limited to, summaries of tabulations provided under subsection (b)(1); and

(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House of Representatives shall submit such reports to the Speaker.

(c) [FIVE] *FOUR*-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.—As soon as practicable after the beginning of each [fiscal year] *biennium*, the Director of the Congressional Budget Office shall issue a report projecting for the period of [5 fiscal years] *4 fiscal years* beginning with such [fiscal year] *biennium*—

(1) total new budget authority and total budget outlays for each fiscal year in such period;

(2) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period;

(3) tax expenditures for each fiscal year in such period;

(4) entitlement authority for each fiscal year in such period; and

(5) credit authority for each fiscal year in such period.

SECTION 309 OF THAT ACT

SEC. 309. It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July *of any odd-numbered calendar year* until the House of Representatives has approved [annual] *regular* appropriation bills providing new budget authority under the jurisdiction of all the subcommittees of the Committee on Appropriations for the [fiscal year] *biennium* beginning on October 1 of such year. For purposes of this section the chairman of the Committee on Appropriations of the House of Representatives shall periodically advise the Speaker as to changes in jurisdiction among its various subcommittees.

SECTION 310(a) OF THAT ACT

RECONCILIATION

SEC. 310. (a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—A concurrent resolution on the budget for [any fiscal year] *any biennium* to the extent necessary to effectuate the provisions and requirements of such resolution, shall—

(1) specify the total amount by which—

(A) new budget authority for [such fiscal year] *each fiscal year in such biennium;*

(B) budget authority initially provided for prior fiscal years;

(C) new entitlement authority which is to become effective during [such fiscal year] *each fiscal year in such biennium;* and

(D) credit authority for [such fiscal year] *each fiscal year in such biennium,* contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount;

(2) specify the total amount by which revenues *for each fiscal year in such biennum* are to be changed and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amount;

(3) specify the amounts by which the statutory limit on the public debt is to be changed and direct the committee having jurisdiction to recommend such change; or

(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3).

SECTION 310(e) OF THAT ACT

(e) PROCEDURE IN THE SENATE.—

(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

(2) Debate in the Senate on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than [20] *100* hours.

(3) It shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or resolution or any amendment thereto or any conference report thereon which changes any provision of law other than provisions of law which—

(A) provide new budget authority or spending authority described in section 401(c)(2);

(B) relate to revenues; or

(C) specify the amount of the statutory limit on the public debt.

SECTION 310(f) OF THAT ACT

(f) COMPLETION OF RECONCILIATION PROCESS.—

(1) IN GENERAL.—Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) *for a biennium* not later than [June 15 of each year] *September 30 of the calendar year in which the biennium begins.*

(2) POINT OF ORDER IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July *of any odd-numbered calendar year* until the House of Representatives has completed action on the reconciliation legislation for the [fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains] *biennium beginning on October 1 of such calendar year*, if reconciliation legislation is required to be reported by the concurrent resolution on the budget [for such fiscal year] *for such biennium.*

SECTION 311(a) OF THAT ACT

SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—Except as provided by subsection (b), after the Congress has completed action on a concurrent resolution on the budget [for a fiscal year] *for a biennium*, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority for [such fiscal year] *a fiscal year in such biennium*, providing new entitlement authority effective during [such fiscal year] *a fiscal year in such biennium*, or reducing revenues for [such fiscal year] *a fiscal year in such biennium*, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report,

would cause the appropriate level of total new budget authority or total budget outlays *for such fiscal year* set forth in the most recently agreed to [concurrent resolution on the budget for such fiscal year] *concurrent resolution on the budget for the biennium in which such fiscal year occurs* to be exceeded, or would cause revenues *for such fiscal year* to be less than the appropriate level of total revenues set forth *for such fiscal year* in such concurrent resolution or, in the Senate, would otherwise result in a deficit for such fiscal year that—

(A) for fiscal year 1989 or any subsequent fiscal year, exceeds the maximum deficit amount specified for such fiscal year in section 3(7); and

(B) for fiscal year 1988 or 1989, exceeds the amount of the estimated deficit for such fiscal year based on laws and regulations in effect on January 1 of the calendar year in which such fiscal year begins as measured using the budget baseline specified in section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 minus $23,000,000,000 for fiscal year 1988 or $36,000,000,000 for fiscal year 1989;

except to the extent that paragraph (1) of section 301(i) or section 304(b), as the case may be, does not apply by reason of paragraph (2) of such subsection.

SECTION 311(b) OF THAT ACT

(b) EXCEPTION IN THE HOUSE OF REPRESENTATIVES.—Subsection (a) shall not apply in the House of Representatives to any bill, resolution, or amendment which provides new budget authority or new entitlement authority effective during [such fiscal year] *a biennium*, or to any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report,

would not cause the appropriate allocation of new discretionary budget authoirity or new entitlement authority made pursuant to section 302(a) for [such fiscal year] *either fiscal year in such biennium*, for the committee within whose jurisdiction such bill, resolution or amendment falls, to be exceeded.

SECTION 401(b)(2) OF THAT ACT

(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget [for such fiscal year] *for the biennium in which such fiscal year occurs,* such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day in which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

SECTION 403(a) OF THAT ACT

SEC. 403. (a) The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the committee on Appropriations of each House), and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in [the fiscal year] *each fiscal year in the biennium* in which it is to become effective and in each of the [4 fiscal years following such fiscal year] *each fiscal year in the succeeding biennium* together with the basis for each such estimate;

(2) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with any significant bill or resolution in [the fiscal year] *each fiscal year in the biennium* in which it is to become effective and in each of the [four fiscal years following such fiscal year] *each fiscal year in the succeeding biennium,* together with the basis for each such estimate;

(3) a comparison of the estimates of costs described in paragraphs (1) and (2), with any available estimates of costs made by such committee or by any Federal agency; and

(4) a description of each method for establishing a Federal financial comitment contained in such bill or resolution.

The estimates, comparison, and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

TITLE 31, UNITED STATES CODE

SECTION 1101 OF THAT TITLE

§ 1101. Definitions

In this chapter—

(1) "agency" includes the District of Columbia government but does not include the legislative branch or the Supreme Court.

(2) "appropriations" means appropriated amounts and includes, in appropriate context—

(A) funds;

(B) authority to make obligations by contract before appropriations; and

(C) other authority making amounts available for obligation or expenditure.

(3) "biennium" has the meaning given to such term in paragraph (11) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).

SECTION 1104(c) OF THAT TITLE

(c) *(1)* When the President makes a basic change in the form of the budget, the President shall submit with the budget information showing where items in the budget for the prior fiscal year are contained in the present budget. [However, the President may change the functional categories in the budget only in consultation with the Committees on Appropriations and on the Budget of both Houses of Congress.] Committees of the House of Representatives and Senate shall receive prompt notification of all such changes.

(2) The budget submitted pursuant to section 1105 for the biennium beginning on October 1, 1989, shall be set forth in the same accounts which are set forth in the table entitled "The Federal Program by Agency and Account' contained in the budget submitted for fiscal year 1989 under section 1105. Any change in the table of accounts used in the budget submitted under section 1105 for the biennium beginning on October 1, 1989, from the table of accounts set forth in such table contained in the budget submitted under section 1105 for fiscal year 1989, and any change in the table of accounts used in the budget submitted under section 1105 for any succeeding biennium from the table used in the budget submitted for the previous biennium shall be made only in consultation with the Committees on Appropriations, the Committees on the Budget, and the committees having legislative jurisdiction over the programs or activities which will be affected by such changes. The provisions of this paragraph do not prohibit the inclusion of proposed new accounts in such table solely for purposes of presenting estimates for proposed new programs.

SECTION 1105(a) OF THAT TITLE

[(a) On or before the first Monday after January 3 each year (or on or before February 5 in 1986), the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary

and supporting information. The President shall include in each budget the following:]

(a) On or before the first Monday after January 3 of each odd-numbered year, beginning with the one-hundred-and-first Congress, the President shall transmit to the Congress, the budget for the biennium beginning on October 1 of such calendar year. The budget transmitted under this subsection shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) information on activities and functions of the Government.

(2) when practicable, information on costs and achievements of Government programs.

(3) other desirable classifications of information.

(4) a reconciliation of the summary information on expenditures with proposed appropriations.

(5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in [the fiscall year for which the budget is submitted and the 4 fiscal years after that year] *each fiscal year in the biennium for which the budget is submitted and in the succeeding biennium.*

(6) estimated receipts of the Government in [the fiscal year for which the budget is submitted and the 4 fiscal years after that year] *each fiscal year in the biennium for which the budget is submitted and in the succeeding biennium* under—

(A) laws in effect when the budget is submitted; and

(B) proposals in the budget to increase revenues.

(7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.

(8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Goverment for the current fiscal year.

(9) balanced statements of the—

(A) condition of the Treasury at the end of the prior fiscal year;

(B) estimated condition of the Treasury at the end of the current fiscal year; and

(C) estimated condition of the Treasury at the end of [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted if financial proposals in the budget are adopted.

(10) essential information about the debt of the Government.

(11) other financial information the President decides is desirable to explain in practicable detail the financial condition of the Government.

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted; and

(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years [after that year] *immediately following the second fiscal year in such biennium* that the proposal will be in effect.

(13) an allowance for additional estimated expenditures and proposed appropriations for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for [that year] *each fiscal year in the biennium for which the budget is submitted.*

(15) a separate statement on each of the items referred to in section 301(a)(1)-(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a) (1)-(5)).

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3)) for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.

(17) information on estimates of appropriations for [the fiscal year following the fiscal year] *each fiscal year in the biennium following the biennium* for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for [that following fiscal year] *each such fiscal year* when the appropriations are authorized to be included in an appropriation law for the [fiscal year before the fiscal year] *biennium before the biennium* in which the appropriation is to be available for obligation.

(18) a comparison of the total amount of budget outlays for [the prior fiscal year] *each of the 2 most recently completed fiscal years*, estimated in the budget submitted [for that year] *with respect to that fiscal year*, for each major program having relatively uncontrollable outlays with the total amount of outlays for that program [in that year] *in that fiscal year.*

(19) a comparison of the total amount of receipts for [the prior fiscal year] *each of the 2 most recently completed fiscal years*, estimated in the budget submitted [for that year] *with respect to that fiscal year*, with receipts received in that year, and for each major source of receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts for that source [in that year] *in that fiscal year.*

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SECTION 1105(b) OF THAT TITLE

(b) Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of [each year] *each even-numbered year* and included in the budget by the President without change.

SECTION 1105(c) OF THAT TITLE

(c) The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the [fiscal year for] *biennium for* which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year *or current biennium, as the case may be,* available for expenditure in the [fiscal year for] *biennium for* which the budget is submitted, are less than the estimated expenditures for that [year] *period.* The President shall make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.

SECTION 1105(d) OF THAT TITLE

(d) When the President submits a budget or supporting information about a budget, the President shall include a statement on all changes about the current [fiscal year] *biennium* that were made before the budget or information was submitted.

SECTION 1105(e) OF THAT TITLE

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1985, an analysis for the [ensuing fiscal year] *biennium to which such budget relates* that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public civilian capital investment program and for each major program that may be classified as a military capital investment program, and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays for public civilian capital investment programs and summaries of the total amount of such appropriations or new obligational authority and outlays for military capital investment programs. In addition, the analysis under this paragraph shall contain—

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SECTION 1105(f)(1) OF THAT TITLE

(f)(1) The budget transmitted pursuant to subsection (a) for [a fiscal year] *a biennium* shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for [such fiscal year] *each fiscal year in such biennium* shall not exceed the maximum deficit amount for such fiscal year as determined under paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974.

SECTION 105(f)(2) OF THAT TITLE

(2) The deficit set forth [in the budget so transmitted for any fiscal year] *for a fiscal year in a budget transmitted pursuant to subsection (a)* shall not exceed the maximum deficit amount for such fiscal year as determined under paragaph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974,

with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

SECTION 1106(a) OF THAT TITLE

(a) Before July 16 of each year, the President shall submit to Congress a supplemental summary of the budget for the [fiscal year] *biennium* for which the budget is submitted under section 1105(a) of this title. The summary shall include—

(1) for [that fiscal year] *each fiscal year in such biennium*—

(A) substantial changes in or reappraisals of estimates of expenditures and receipts;

(B) substantial obligations imposed on the budget after its submission;

(C) current information on matters referred to in section 1105(a)(8) and (9) (B) and (C) of this title; and

(D) additional information the President decides is advisable to provide Congress with complete and current information about the budget and current estimates of the functions, obligations, requirements, and financial condition of the United States Government.

(2) for the [4 fiscal years following the fiscal year] *2 fiscal years following the biennium* for which the budget is submitted, information on estimated expenditures for programs authorized to continue in future years, or that are considered mandatory, under law; and

(3) for [future fiscal years] *the 2 fiscal years following the biennium for which the budget is submitted,* information on estimated expenditures of balances carried over from the [fiscal year] *biennium* for which the budget is submitted.

SECTION 1106(b) OF THAT TITLE

(b) Before July 16 of each year, the President shall submit to Congress a statement of changes in budget authority requested, estimated budget outlays, and estimated receipts for [the fiscal year] *each fiscal year in the biennium* for which the budget is submitted (including prior changes proposed for the executive branch of the Government) that the President decides are necessary and appropriate based on current information. The statement shall include that effect of those changes on the information submitted under section 1105(a)(1)–(14) and (b) of this title and shall include supporting information as practicable. The statement submitted before July 16 may be included in the information submitted under subsection (a)(1) of this section.

SECTION 1109 OF THAT TITLE

(a) [On or before the first Monday after January 3 of each year (on or before February 5 in 1986),] *At the same time the budget required by section 1105 is submitted for a biennium,* the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the budget for [the following fiscal year] *each fiscal year of such period* if programs and activities of the United States Government were carried on during that year at the same level as the current

fiscal year without a change in policy. The President shall state the estimated budget outlays and proposed budget authority by function and subfunction under the classifications in the budget summary table under the heading "Budget Authority and Outlays by Function and Agency", by major programs in each function, and by agency. The President shall also include a statement of the economic and program assumptions on which those budget outlays and budget authority are based, including inflation, real economic growth, and unemployment rates, program caseloads, and pay increases.

(b) The Joint Economic Committee shall review the estimated budget outlays and proposed budget authority and submit an economic evaluation of the budget outlays and budget authority to the Committees on the Budget of both Houses before [March 1 of each year] *February 25 of each odd-numbered year.*

SECTION 1110 OF THAT TITLE

A request to enact legislation authorizing new budget authority to continue a program or activity for a [fiscal year] *biennium (beginning on or after October 1, 1989)* shall be submitted to Congress before May 16 of the [year before the year in which the fiscal year begins] *second calendar year preceding the calendar year in which the biennium begins.* If a new program or activity will continue for more than one year, the request must be submitted for at least the first and 2d fiscal years.

SECTION 1114 OF THAT TITLE

(a) [The] *For each biennium beginning with the biennium beginning on October 1, 1989, the* head of each agency shall include in the budget justification for the agency submitted [each year] to the Committees on Appropriations of both Houses of Congress—

(1) amounts requested for consulting services;

(2) the appropriation accounts from which the amounts are to be paid; and

(3) a description of the need for the consulting services, including a list of the major programs requiring those services.

(b) [The] *For each biennium beginning with the biennium beginning on October 1, 1989, the* Inspector General or comparable official of each agency shall submit to Congress [each year], with the budget justification for the agency, an evaluation of the progress of the agency in establishing effective management controls and improving the accuracy and completeness of the information provided to the Federal Procurement Data System on contracts for consulting services. If the agency does not have an Inspector General or comparable official, the head of the agency or officer or employee designated by the head of the agency shall submit the evaluation.

Title 31 of the United States Code is further amended by inserting after section 1310 the following new section:

§ 1311. Continuing appropriations

(a)(1) Except as provided in paragraph (2), if any of the regular appropriation bills for a biennium does not become law before the beginning of such period, there are hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity, provided for in a regular appropriation Act that has become effective for the preceding biennium, at a rate of operations not in excess of the rate of operations provided for such project or activity for such preceding biennium in such Act.

(2) If the rate of operations provided for a project or activity for the second fiscal year in a biennium differs from the rate of operations provided for such project or activity for the first fiscal year in such biennium by reason of reductions made pursuant to an order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, such project or activity shall be continued at a rate of operations not in excess of the rate of operations provided for such project or activity for such second fiscal year.

(b) Amounts appropriated pursuant to subsection (a) with respect to a biennium shall be available for the period beginning with the first day of such period and ending with the earlier of—

(1) the day after the first date on which the regular appropriation bill for the program or activity funded under subsection (a) of this section has become law, or

(2) the last day of such biennium.

(c) For purposes of this section, "regular appropriation bill" has the meaning given such term in section 307 of the Congressional Budget Act (2 U.S.C. 638).

THE ANALYSIS OF CHAPTER 13 OF THAT TITLE

CHAPTER 13—APPROPRIATIONS

SUBCHAPTER I—GENERAL

Sec.
1301. Application.
1302. Determining amounts appropriated.
1303. Effect of changes in titles of appropriations.
1304. Judgments, awards, and compromise settlements.
1305. Miscellaneous permanent appropriations.
1306. Use of foreign credits.
1307. Public building construction.
1308. Telephone and metered services.
1309. Social security tax.
1310. Appropriations for private organizations.
1311. Continuing appropriations.

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TITLE 1, UNITED STATES CODE

SECTION 105 OF THAT TITLE

§ 105. Title of appropriation Acts

[The style and title of all Acts making appropriations for the support of Government shall be as follows: "An Act making appro-

priations (here insert the object) for the year ending September 30 (here insert the calendar year)."]

(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: "An Act making appropriations (here insert the object) for the biennium ending September 30 (here insert the odd-numbered calendar year).".

(b) All Acts making regular appropriations for the support of the Government shall be enacted for a biennium and shall specify the amount of appropriations provided for each fiscal year in such period.

(c) For purposes of this section, the term "biennium" has the same meaning as in section 3(11) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11)).

THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

THE MATTER FOLLOWING SECTION 251 (a) (6) (K)

(2 U.S.C. 901 (a) (6) (K))

Terms used in this paragraph shall have the meanings defined in sections 906 and 907 of this title. *For purposes of subparagraph (B), continuing appropriations made pursuant to section 1311 of title 31, United States Code, shall be treated as continuing appropriations for an entire fiscal year.*

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